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PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972

SENATE RESOLUTION 60

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HEARINGS

BEFORE THE

SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

OF THE

UNITED STATES SENATE

NINETY-THIRD CONGRESS

FIRST SESSION

WATERGATE AND RELATED ACTIVITIES

Phase I: Watergate Investigation

WASHINGTON, D.C., JUNE 5, 6, 7, 12, 13, AND 14, 1973

Book 2



Printed for the use of the
Select Committee on Presidential Campaign Activities

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(Established by S. Res. 60, 93d Congress, 1st Session)

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PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972
PHASE I: WATERGATE INVESTIGATION

TUESDAY, JUNE 5, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to recess, at 10:15 a.m., in room 318, Russell Senate Office Building, Senator Sam J. Ervin, Jr. (chairman), presiding.

Present: Senators Ervin, Talmadge, Inouye, Montoya, Baker, Gurney, and Weicker.

Also present: Samuel Dash, chief counsel and staff director; Fred D. Thompson, minority counsel; Rufus L. Edmisten, deputy chief counsel; Arthur S. Miller, chief consultant; Jed Johnson, consultant; David M. Dorsen, James Hamilton, and Terry F. Lenzner, assistant chief counsels; Barry Schochet, William Mayton, and Marc Lackritz, assistant majority counsels; Donald G. Sanders, deputy minority counsel; H. William Shure and Robert Silverstein, assistant minority counsels; Joan C. Cole, secretary to the minority; Pauline O. Dement, research assistant; Eiler Ravnholt, office of Senator Inouye; Robert Baca, office of Senator Montoya; Ron McMahan, assistant to Senator Baker; A. Searle Field, assistant to Senator Weicker; John Walz, publications clerk.

Senator ERVIN. The committee will come to order.

I wish to make the following statement on behalf of the committee. The committee has carefully considered the request of the special prosecutor of the so-called Watergate case and has unanimously determined that its duty requires it to decline to grant such request for these reasons:

1. The committee has been authorized and directed by a resolution, unanimously adopted by the Senate, to investigate the so-called Watergate affair and its ramifications and to recommend to the Congress adoption of any legislation it deems necessary and appropriate as a result of its findings and for this reason has no authority to postpone or terminate these activities under the Senate resolution.

2. The committee is unwilling to share the fears of the special prosecutor that the courts will permit guilty parties to go unwhipped of justice simply because the Senate committee exercises the constitutional rights and obligations of the Senate to inform the Congress and the American people of the truth in respect to the Watergate affair.

3. The committee believes that there is more likelihood that any other persons who may be indicted will be able to obtain a fair trial

in an atmosphere of judicial calm after, rather than before, the committee completes its task.

Senator BAKER. Mr. Chairman——

Senator ERVIN. Mr. Baker.

Senator BAKER. Mr. Chairman, I thoroughly concur with your statement. As you pointed out, it was adopted unanimously by the committee. I might only add if I may, that while the jurisdictional responsibility of the committee is to hear evidence and to make a report and recommendations to the Congress on legislation, I believe that a further responsibility inherent in the system of legislative hearings is the responsibility to do the public's business in public view.

Senator ERVIN. Does any other member of the committee have any statement to make in this connection?

[No response.]

If not, the counsel will call the first witness.

Mr. DASH. Will Mrs. Sally Harmony please take the witness chair.

Senator ERVIN. Mrs. Harmony, will you raise your right hand, please?

Do you solemnly swear that the testimony you are about to give to the Senate Select Committee on Presidential Campaign Activities will be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. HARMONY. I do.

Mr. DASH. Mrs. Harmony, for the record, please give your name and address.

TESTIMONY OF SALLY J. HARMONY, ACCOMPANIED BY THOMAS E. QUINN, JR., COUNSEL

Mrs. HARMONY. Sally J. Harmony. I live at 4515 Willard Avenue, in Chevy Chase, Md.

Mr. DASH. You are accompanied by counsel at this proceeding?

Mrs. HARMONY. Yes.

Mr. DASH. Will counsel please identify himself for the record?

Mr. QUINN. My name is Thomas E. Quinn, Jr., attorney here in Washington, D.C.

Mr. DASH. Mrs. Harmony, will you tell the committee where you were employed around the period of March 1972?

Mrs. HARMONY. Yes, I was employed at the Committee To Re-Elect the President. My employer was G. Gordon Liddy.

Mr. DASH. Where was that located then?

Mrs. HARMONY. 1701 Pennsylvania Avenue.

Mr. DASH. Will you tell the committee where you were actually physically located in the offices of the Committee To Re-Elect the President?

Mrs. HARMONY. Yes. When I first went to work for the committee, our offices were located on the eighth floor. Approximately 2 weeks after that, we moved to the second floor, to the finance committee.

Mr. DASH. Now, over what period of time did you work with Mr. Liddy as his secretary?

Mrs. HARMONY. From March 13, 1972, until June 28, I think the date was.

Mr. DASH. And you were his secretary on the date of June 17, 1972?

Mrs. HARMONY. Yes.

Mr. DASH. While you were working for Mr. Liddy, will you tell the committee what his duties were and something about his work hours?

Mrs. HARMONY. Mr. Liddy, when he first began, was counsel for the Committee for the Re-Election. I would say in about 2 weeks, he changed as counsel to the finance committee.

Mr. DASH. Did he have any other assignment or responsibility, to your knowledge?

Mrs. HARMONY. When I was employed by Mr. Liddy, I think it is in the early part of June, he mentioned the fact that he might be involved in clandestine activity.

Mr. DASH. What kind of hours did Mr. Liddy have, working day or night?

Mrs. HARMONY. Well, actually, my recollection would be he would come in around 8:45. He would leave at 7:30 or 8 at night, sometimes 7.

Mr. DASH. Now, during this period of time, did you ever meet Howard Hunt?

Mrs. HARMONY. I had occasion to meet Mr. Hunt, yes.

Mr. DASH. Could you tell the committee what that occasion was and what were the circumstances?

Mrs. HARMONY. Yes, I think, Mr. Dash, it was the week of April 7, around the 5th of April. Mr. Hunt had made a couple of phone calls to the office. Mr. Liddy was going out of town. I took an envelope to him, a regular 8 by 10 brown envelope, with no markings on it, to Mr. Liddy. He asked me to give it to Mr. Sloan the following morning and after Mr. Sloan had returned it to me, I would call Mr. Hunt and he would come and pick it up.

Mr. DASH. Now, did you ever in March of 1972, while you were still on the eighth floor, type a tape furnished to you by Mr. Liddy?

Mrs. HARMONY. I did.

Mr. DASH. Would you describe that particular circumstance?

Mrs. HARMONY. Yes. I was working at my desk on one particular day. Mr. Liddy went into another office, closed the door. Then when he came back out, he took a telephone call. He asked me to come into the office and transcribe a tape.

Mr. DASH. What was the nature of that tape?

Mrs. HARMONY. This I am really not definite on. The words I can remember from it are "Joe's," "Stone crab." It was about a three-line memo with a list of maybe five or six names. I recollect none of the names at all or what it might be.

Mr. DASH. Was Mr. Liddy in the practice of giving you tapes to transcribe?

Mrs. HARMONY. That was the first time I had one.

Mr. DASH. Did you ever type any general intelligence memo to Mr. Liddy?

Mrs. HARMONY. Yes, sir, on a couple of occasions, yes, I did.

Mr. DASH. Could you now describe what those memos were, the format of those memos?

Mrs. HARMONY. I typed two that I can recall the content of that had come from Senator McGovern's office, headquarters.

Mr. DASH. Miss Harmony, don't give us the actual contents of the memos, but could you describe or characterize what the memos referred to and, whether the memos were telephone conversations. What was the form of the memos?

Mrs. HARMONY. Oh, all right. This was a question and answer. It was two people discussing something and it was put down—when I typed it, I typed it in a question and answer form. It dealt with goods and services for the Democratic National Convention. That is about it, the form, my knowledge of it.

Mr. DASH. Have you ever typed any telephone logs? Do you know what a telephone log is?

Mrs. HARMONY. Yes, telephone conversations.

Mr. DASH. Is this what you are referring to now?

Mrs. HARMONY. No, this is not.

Mr. DASH. And this was just a Q and A type of memo?

Mrs. HARMONY. Yes.

Mr. DASH. Now, did you type it on any particular type of stationery?

Mrs. HARMONY. No.

Mr. DASH. Did Mr. Liddy dictate to you?

Mrs. HARMONY. These were tapes that I took off.

Mr. DASH. Now, who gave them to you?

Mrs. HARMONY. Mr. Liddy called me into his office and asked me to go in there.

Mr. DASH. Were there any general intelligence memos that Mr. Liddy gave you?

Mrs. HARMONY. Yes, the ones that he dictated. I mentioned that there were two that I recognized that had come from Senator McGovern's headquarters.

Mr. DASH. How would they be characterized? What was the manner of beginning of the memo; do you know?

Mrs. HARMONY. No, sir, I don't recall.

Mr. DASH. Do you recall such terms as "reliable source?"

Mrs. HARMONY. Yes.

Mr. DASH. Now, you did refer to the fact that you did type telephone logs, telephone conversations?

Mrs. HARMONY. Yes, sir.

Mr. DASH. How often did that occur?

Mrs. HARMONY. I think I may have done eight of them.

Mr. DASH. And you did recognize them as a record of telephone conversations?

Mrs. HARMONY. They were telephone conversations, yes, sir.

Mr. DASH. In what form did you get them in the first place?

Mr. HARMONY. Mr. Liddy dictated them to me.

Mr. DASH. Did you recognize any names, without giving us any content of those logs? Did you recognize any names that appeared in those telephone conversations?

Mrs. HARMONY. Yes. There were two names. Yes; I did recognize names.

Mr. DASH. Could you just give the names to the committee that you did recognize.

Mr. QUINN. Mr. Dash, I wonder if we are not getting rather dangerously close to a violation of 18 U.S.C. 2515, where it would be a violation for a witness to disclose any of the content of overheard or wiretaped conversations.

Mr. DASH. I am specifically addressing my question not to content but to identifying any names. So restrict the question to that.

Mrs. HARMONY. The name of Spencer Oliver and another name given as Maxie.

Mr. DASH. Did you ever receive any telephone logs from Mr. McCord? Do you know Mr. McCord?

Mrs. HARMONY. Yes; I have met Mr. McCord.

Mr. DASH. James McCord. How did you know Mr. McCord?

Mrs. HARMONY. He was the security officer for the committee.

Mr. DASH. Did he ever come to you with any memos or telephone logs for you to type?

Mrs. HARMONY. On one occasion, he asked me, stopped at my desk—Mr. Liddy wasn't in—and asked me for an envelope, put a piece of paper in it, and put it on Mr. Liddy's desk.

On another occasion, he did give a folded paper to me, which I looked at and recognized as being in the telephone conversations that I had done before, that Mr. Liddy had dictated.

Mr. DASH. Did you type these telephone logs on any particular stationery?

Mrs. HARMONY. Yes; Mr. Liddy had printed a stationery with the name "Gemstone" across the top of it. I don't recall, sir, that all of these logs were typed on that particular stationery. I think probably—

Mr. DASH. Did you have any directions as to how you were to use this stationery? When were you to use the so-called "Gemstone" stationery?

Mrs. HARMONY. I used it for the telephone conversations that I typed.

Mr. DASH. For the telephone conversations?

Mrs. HARMONY. Yes.

Mr. DASH. I would like to show you two pieces of stationery. Mrs. Harmony, do you recognize the stationery as that which had been delivered to you?

Mrs. HARMONY. I recognize the way it is set up, yes, sir.

Mr. DASH. Is that the stationery you used?

Mrs. HARMONY. Mr. Dash, I did not think the stationery was white. It might have been.

Mr. DASH. Did you receive the delivery of the Gemstone stationery?

Mrs. HARMONY. Yes, I did.

Mr. DASH. And when was that?

Mrs. HARMONY. I cannot recall specifically when it was delivered.

Mr. DASH. Now, did the stationery have a kind of printing on it like this?

Mrs. HARMONY. Yes, sir, I think it did although this at the bottom I do not remember the warning.

Mr. DASH. Who was the printer who printed the Gemstone stationery?

Mrs. HARMONY. Mr. Post.

Mr. DASH. And do you know at whose direction?

Mrs. HARMONY. I do not know.

Mr. DASH. And Mr. Post has submitted under subpoena these copies of stationery printed under Mr. Liddy's orders and delivered to you?

Mrs. HARMONY. Yes sir.

Mr. DASH. And that you recognize as the stationery that Mr. Post printed?

Mrs. HARMONY. This is the set up of it. I thought it was colored stationery. I probably am wrong.

Mr. DASH. Where it says source, what was typed on the stationery where it says source?

Mrs. HARMONY. Where it says source, there were three source names that I recall: Ruby 1, Ruby 2, and Crystal.

Mr. DASH. Did you know what they referred to?

Mrs. HARMONY. No, sir.

Mr. DASH. Was there any particular source used more frequently than another?

Mrs. HARMONY. Ruby 1 and Ruby 2, I think.

Mr. DASH. More so?

Mrs. HARMONY. Yes.

Mr. DASH. More so?

Mrs. HARMONY. No rhyme or reason as to when one was used.

Mr. DASH. Now, after you typed either the telephone logs on such stationery or any of the memorandums or intelligence memorandums you have testified to, to whom did you give these memorandums or telephone logs?

Mrs. HARMONY. I returned them to Mr. Liddy.

Mr. DASH. Did you ever type any memorandum for either Mr. Magruder or Mr. Mitchell.

Mrs. HARMONY. No, sir.

Mr. DASH. Did you ever deliver any of this for Mr. Magruder or Mr. Mitchell?

Mrs. HARMONY. No, sir.

Mr. DASH. Did you ever see any photographs in Mr. Liddy's office of documents from the Democratic National Committee?

Mrs. HARMONY. Yes, I did.

Mr. DASH. Could you characterize very briefly what the documents were, what they looked like?

Mrs. HARMONY. They were 8-by-10 glossies.

Mr. DASH. Did they have a letterhead on them?

Mrs. HARMONY. There were a stack of photographs I mentioned, the number of 20 or 25, I can't be definite how many were there. The only one that I recognize that I can put anything with was one signed by Larry O'Brien. It was a typed letter.

Mr. DASH. Was there anything unusual about the photograph, that you can remember?

Mrs. HARMONY. Yes sir, they were being held by fingers.

Mr. DASH. Fingers?

Mrs. HARMONY. Yes sir, I guess at this point they would have been fingers of rubber gloves.

Mr. DASH. Had you ever typed a budget for Mr. Liddy?

Mrs. HARMONY. Yes, sir.

Mr. DASH. What was the nature of the budget?

Mrs. HARMONY. I can't remember any given item on that. I think, now it was electronic equipment but I cannot give you any specific item.

Mr. DASH. Do you recall about what time during your employment with Mr. Liddy that occurred?

Mrs. HARMONY. I would say sometime around the middle of May but I couldn't be definite.

Mr. DASH. Did you ever prepare a pass for McGovern headquarters for Mr. Liddy?

Mrs. HARMONY. Yes, sir.

Mr. DASH. How did that come about, how did you do it?

Mrs. HARMONY. The day of June 16, right in the afternoon, Mr. Liddy was looking for some stationery which he couldn't find. We photocopied and made a sample of a McGovern letterhead which I dictated in a memo to be typed.

Mr. DASH. Did you have a copy of McGovern stationery?

Mrs. HARMONY. No, I did not have one and he did not have one, this is the reason a facsimile was made.

Mr. DASH. Simulated McGovern stationery?

Mrs. HARMONY. Yes, sir.

Mr. DASH. And what was the nature of the message on it?

Mrs. HARMONY. The nature of the message, it was to whom it may concern, and it was, "This will authorize the bearer to enter premises" for some such reason.

Mr. DASH. Did it have a signature attached to it?

Mrs. HARMONY. I was asked to put the initials GH/w JP as the secretary would type something.

Mr. DASH. What about the signature to the pass?

Mrs. HARMONY. The signature was signed Gary Hart with the initials like a secretary would sign it.

Mr. DASH. Who signed that?

Mrs. HARMONY. I did.

Mr. DASH. What happened to that pass, do you know?

Mrs. HARMONY. Yes, I was informed the following week that Mr. Hunt had it in his possession.

Mr. DASH. Did Mr. Liddy ever hear from Mr. Bernard Barker, to your knowledge?

Mrs. HARMONY. Yes, sir.

Mr. DASH. Could you state the circumstances of that?

Mrs. HARMONY. Mr. Liddy—actually I want to clarify something—Mr. Liddy worked in his office most of the time with the door closed, frequently took his own phone calls practically all of the time. I have had occasion to answer the phone when Mr. Barker had been calling.

Mr. DASH. Now, did Mr. Liddy, to your knowledge, ever see Mr. Mitchell?

Mrs. HARMONY. He has on occasion told me he was going to Mr. Mitchell's office. I am not aware that Mr. Mitchell ever visited Mr. Liddy in our office.

Mr. DASH. After the so-called break-in of the Watergate on June 17, what, if anything, happened to your records and note pads that you kept for Mr. Liddy?

Mrs. HARMONY. The only thing was my shorthand notebooks—the day that Mr. Liddy was interviewed by the FBI and left the committee—I shredded my shorthand notebooks.

Mr. DASH. At whose instructions?

Mrs. HARMONY. At Mr. Liddy's instructions.

Mr. DASH. Did you receive any other instructions from Mr. Liddy concerning records or documents?

Mrs. HARMONY. No; on the day he left the committee I did help him get his things together when he was leaving and check through the files. He did ask me to check through the files and if I found anything with his handwriting on it would I please destroy that.

Mr. DASH. Did you ever talk with Mr. Jeb Magruder in March of 1973?

Mrs. HARMONY. In March of 1973?

Mr. DASH. Yes, in 1973.

Mrs. HARMONY. Well, I am sure I have. I worked with Mr. Magruder when I was Mr. Marriott's secretary to the Inaugural Committee.

Mr. DASH. During any conversation that you had with Mr. Magruder in March 1973, did he ever talk to you about any conversation he had with Mr. Mitchell?

Mrs. HARMONY. Yes, I think it was probably later than March, it was after Mr. Magruder went to the Commerce Department to work. I was called by Mr. Magruder or he had talked to his secretary, who was still there, who transferred the call. Mr. Magruder indicated to me he had talked with Mr. Mitchell and assured Mr. Mitchell, this was after he knew I was going to talk with the Hill people.

Mr. DASH. Will you repeat that, please?

Mrs. HARMONY. This was after Mr. Magruder and I had learned I was going to talk with the Hill investigators. He said I have indicated to Mr. Mitchell that he has no reason to be concerned about any of your testimony.

Mr. DASH. Did Mr. Magruder indicate that Mr. Mitchell was concerned about what your testimony might be?

Mrs. HARMONY. I do not know.

Mr. DASH. Now, did you receive a bill for the Gemstone stationary that was ordered and delivered to the office?

Mrs. HARMONY. Yes, sir; I did.

Mr. DASH. What did you do with that bill?

Mrs. HARMONY. That invoice came after Mr. Liddy had left the committee and I took it to Mr. Magruder's office. I asked Mr. Magruder if he would authorize payment for it. He had a small piece of paper and he in his own handwriting was authorizing payment to H. A. Post Associates for a certain amount of money, signed it Jeb S. Magruder.

Mr. DASH. What happened to the bill?

Mrs. HARMONY. The bill I shredded.

Mr. DASH. Now, Mr. Odle, I think has testified the administrator ordinarily authorizes the payment of bills. Why did you take it to Mr. Magruder instead of Mr. Odle?

Mrs. HARMONY. Because it referred to the Gemstone bill and I thought Mr. Magruder would be more aware of it than Mr. Odle.

Mr. DASH. Now, I have no further questions of this witness, Mr. Chairman, but would the Gemstone stationery, now be entered in evidence for this committee's records?

Senator ERVIN. The Gemstone stationery, the blank Gemstone stationery identified by the witness will now be marked with the proper number as an exhibit and received as such.

[The document marked exhibit No. 2 for identification on page 50 of Book 1 and the document referred to hereinabove were marked exhibits Nos. 2 and 16, respectively.*]

Mr. DASH. I have no further questions.

Senator ERVIN. Mr. Thompson.

*Exhibit No. 2 appears on p. 450 of Book 1. Exhibit No. 16 appears herein on p. 877.

Mr. THOMPSON. Thank you, Mr. Chairman.

Mrs. Harmony, I would like to ask you some questions which may lay some groundwork for further questioning by members of the committee, a little more detail about the different categories of intelligence material that you typed. Now, as I understand it, you typed first of all, some tapes.

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. Second, you typed some general intelligence information, and third, you typed some information which evidently came from the illegal bugging of telephone conversations.

Mrs. HARMONY. Yes, sir; I typed telephone conversations.

Mr. THOMPSON. Let me go over this briefly and lead you. You have been interviewed three times by the staff of this committee and if I am incorrect, you correct me. As I understand it, going back to the first category, the tapes you typed, these were tapes of telephone conversations which evidently were consented to, the individuals involved knew that they were being taped; is that correct?

Mrs. HARMONY. Mr. Thompson, on the second one that I mentioned I do not know whether the individual would know he was being taped or not.

Mr. THOMPSON. Were there two different tapes?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. Were these tapes that you physically had in your possession? You listened to the tapes and typed from the tapes?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. Were these tapes given to you by Mr. Liddy?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. You mentioned one tape while you were still on the eighth floor, you remember the words "Joe's Stone Crab"? Do you know whether or not that perhaps might be a restaurant of some type?

Mrs. HARMONY. No, I am aware that it is.

Mr. THOMPSON. Where is this restaurant located?

Mrs. HARMONY. It is Miami.

Mr. THOMPSON. All right, what about the second tape that you typed, what do you remember about that, how did it begin, for example?

Mrs. HARMONY. It began with the words "Good morning, how are you today, Howard?"

Mr. THOMPSON. Good morning, how are you today, Howard?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. Was it a question and answer type——

Mrs. HARMONY. Yes.

Mr. THOMPSON [continuing]. Situation?

Mrs. HARMONY. Yes.

Mr. THOMPSON. All right, do you have any idea where the individual talking to Howard, whoever Howard was, was at that time?

Mrs. HARMONY. The impression that I got from typing it, after I typed it, was that it was a conversation in Miami in Florida.

Mr. THOMPSON. Was there some mention of Mr. O'Brien?

Mrs. HARMONY. There was.

Mr. THOMPSON. They had seen him down there, or something like that?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. On these two tapes that you are talking about, from what you can tell, were conversations wherein one of the individuals in the conversation was located in Miami? That was your impression?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. Leading to the second category, the general intelligence information, I believe you typed 10 to 15 memorandums of this type, is that correct?

Mrs. HARMONY. Mr. Thompson, I do not know. The content of three I can remember. I am sure there were more than that but I would not guess.

Mr. THOMPSON. Do you recollect the timespan that these general intelligence information memorandums covered; when did you do your first one; when did you do your last one?

Mrs. HARMONY. Actually, I would categorize the first memo as a general intelligence memo, say, from when I was on the eighth floor and began my work with Mr. Liddy.

Mr. THOMPSON. You started to work March 13, 1972, I believe?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. You worked then until July of 1972, is that correct?

Mrs. HARMONY. Yes, sir, I worked for the finance committee.

Mr. THOMPSON. This second category I am referring to, do you recollect whether or not there were any indications, notations on the paper that you used, or whether or not you typed Ruby 1, Ruby 2, Crystal, those words?

Mrs. HARMONY. Yes, sir, I did.

Mr. THOMPSON. All right, do you know what those words had reference to or who they had reference to?

Mrs. HARMONY. I did not know who they had reference to.

Mr. THOMPSON. It is your understanding these were not derived from wiretaps or bugging over telephones?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. This consisted of information from certain individuals?

Mrs. HARMONY. Yes.

Mr. THOMPSON. All right. These were dictated to you by Mr. Liddy?

Mrs. HARMONY. That is right.

Mr. THOMPSON. All right. And the third category, I believe you say you remember perhaps typing eight memorandums of what you consider to be telephone bugs?

Mrs. HARMONY. Telephone conversations.

Mr. THOMPSON. Results of telephone taps or bugs.

Now, were these all dictated to you by Mr. Liddy, also?

Mrs. HARMONY. All but the last two.

Mr. THOMPSON. Were those the two that Mr. McCord gave you directly?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. All right, how did he present them to you, if you recall?

Mrs. HARMONY. Mr. McCord, the first one he gave me, put in an envelope and put on Mr. Liddy's desk. I was not aware of what was in it. The second one he did not ask me for an envelope, he just handed me the folded sheet of paper.

Mr. THOMPSON. The first one, when did you become aware of what was in it?

Mrs. HARMONY. Mr. Liddy gave it back to me and asked me to type it.

Mr. THOMPSON. You recognized the envelope as before?

Mrs. HARMONY. No, no, that I cannot make as a factual statement. It was out of the envelope but I assumed it was what Mr. McCord had given since he had given me one after that.

Mr. THOMPSON. You believe there were eight of these memorandums?

Mrs. HARMONY. That is a guess.

Mr. THOMPSON. When did you use the Gemstone stationery, the printed Gemstone stationery, how many times did you use that?

Mrs. HARMONY. Perhaps two or three, Mr. Thompson; I cannot be definite on that.

Mr. THOMPSON. The printed Gemstone stationery was used only on the illegal or the telephone bug results?

Mrs. HARMONY. Yes, as I recall.

Mr. THOMPSON. Going back again to the second category of the general intelligence information, for a while there I believe you used plain bond paper to type those memorandums?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. Did you for a time type the word "Gemstone" across the top of it?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. You had Ruby 1 and Ruby 2 references and so forth?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. As far as the printing is concerned, that was only used for the telephone bug material.

Let me ask you just another question or two, Mrs. Harmony. You said Mr. Magruder contacted you in March of 1973. Actually, it was after your first interview with the committee staff, was it not? He contacted you on one occasion after?

Mrs. HARMONY. Mr. Thompson, as I recall, it probably was after I first talked to two of the people.

Mr. THOMPSON. That was on March 31, 1973?

Mrs. HARMONY. Yes, sir.

Mr. THOMPSON. Did you discuss with Mr. Magruder the fact that you had talked with the committee staff?

Mrs. HARMONY. I do not know whether I discussed it with him or not. He was aware that I had talked to them.

Mr. THOMPSON. Do you remember how the subject of Mr. Mitchell was first broached?

Mrs. HARMONY. No, sir, I do not know how it was first broached.

Mr. THOMPSON. Had you had any previous conversations with Mr. Magruder from June 17, 1972, or say, July of 1972, when you left the committee, up until this particular time?

Mrs. HARMONY. Yes, I had talked with Mr. Magruder previous to that.

Mr. THOMPSON. What did you talk about?

Mrs. HARMONY. Well, at one time, I was out of a job, so I was sent to Mr. Magruder to find another job with the committee.

Mr. THOMPSON. Did you talk about the Watergate affair during this period of time?

Mrs. HARMONY. With Mr. Magruder?
Mr. THOMPSON. Yes.
Mrs. HARMONY. Yes, it was discussed very——
Mr. THOMPSON. Did you discuss with him whether or not certain other individuals were possibly involved?
Mrs. HARMONY. No, sir.
Mr. THOMPSON. You did not discuss those?
Mrs. HARMONY. No, sir.
Mr. THOMPSON. Was Mr. Mitchell's name first mentioned in this conversation that you had reference to after March 31?
Mrs. HARMONY. As I can recall.
Mr. THOMPSON. Do you recall that he said Mr. Mitchell said he would not have anything to worry about from your testimony, something to that effect?
Mrs. HARMONY. Yes.
Mr. THOMPSON. Do you know how Mr. Magruder knew that Mr. Mitchell would not have anything to worry about from your testimony, if you had not discussed it with him?
Mrs. HARMONY. No, other than the fact that I did know absolutely nothing to implicate Mr. Mitchell.
Mr. THOMPSON. But you had not told Mr. Magruder?
Mrs. HARMONY. I said you can assure Mr. Mitchell that there is no way that I am aware that I can implicate him in anyway.
Mr. THOMPSON. But previous to that, he had told you that he had told Mr. Mitchell that Mitchell had nothing to worry about?
Mrs. HARMONY. That is right.
Mr. THOMPSON. But you had not previously told Mr. Magruder that Mr. Mitchell did not in fact have anything to worry about?
Mrs. HARMONY. No.
Mr. THOMPSON. This was just a guess on his part, in other words?
Mrs. HARMONY. Yes.
Mr. THOMPSON. I believe that is all, Mr. Chairman.
Thank you.
Senator ERVIN. I will waive and transfer to Senator Inouye. I will swap my turn in favor of him.
Senator INOUYE. Thank you very much, Mr. Chairman.
Mrs. Harmony, were you aware that you were typing or recording information which was obtained illegally?
Mrs. HARMONY. No, sir. They were telephone conversations, to me. I did not know the source of them at all.
Senator INOUYE. You were not aware that these were conversations resulting from bugs?
Mrs. HARMONY. No, sir; I did not.
Senator INOUYE. When did you first learn that these were bugged conversations?
Mrs. HARMONY. When I read the newspaper on June 18.
Senator INOUYE. Now, you have told this committee about some of the contents of the memos of the tapes, one about goods and services involved in the Miami Democratic Convention; another a letter signed by Larry O'Brien. Did you find any information relating to any activity to endanger the President of the United States or to endanger the U.S. Government itself?
Mrs. HARMONY. Senator, not that I can recall; no.

Senator INOUYE. Do you recall any information in there that related to any conspiracy with foreign governments?

Mrs. HARMONY. Not that I can recall, no, Senator.

Senator INOUYE. In other words, in your mind, none of the information related to national security?

Mrs. HARMONY. No, sir; as nearly as I can recall, it would not have.

Senator INOUYE. It was all political.

Mrs. HARMONY. As I recall, it probably was, yes.

Senator INOUYE. I would like to give you an opportunity, Mrs. Harmony, to respond to certain statements that have been made against you. This, according to an article which appeared in one of our papers, states that Mrs. Eveline Hyde said that Liddy's secretary, Sally Harmony, had implied that as a "reward" for her testimony, she was given a trip to Florida prior to the Republican National Convention in Miami. In one of the depositions, Arden Chambers, who is still the secretary of the Finance Committee To Re-Elect the President, testified that Mrs. Harmony said at a party in Mrs. Hyde's home last July 16 something to the effect, "For Gordon I perjured myself."

Would you like to comment on that?

Mr. DASH. Senator Inouye, while the witness is conferring could we have identified for the record the specific item you are reading from?

Senator INOUYE. This is an article by John Hanrahan appearing in the Washington Post, entitled "Perjury Laid to Witness on Watergate." I am sorry I don't have the paper. It appeared on Saturday, June 2.

Mrs. HARMONY. Senator, in response to the one statement that was attributed to Mr. Chambers——

Senator INOUYE. Yes.

Mrs. HARMONY. I think at that time, I had not appeared before the grand jury. I have not read her deposition. I have only glanced at the newspaper article. I can't think that I would use the word "perjure" at all. And I feel that I did not make the statement.

Senator INOUYE. You didn't say something to the effect "For Gordon, I'd lie," something to that effect?

Mrs. HARMONY. I don't believe I had been to the grand jury, no.

Senator INOUYE. The article goes on further to state:

> Mrs. Hyde said Mrs. Harmony also said in regard to the trip, "I need it; they owe it to me." Mrs. Hyde said Mrs. Harmony did not know who they were and we didn't ask her. She said, "Mrs. Harmony did not, to my knowledge, have any job assignment for the committee at the convention."

Mrs. HARMONY. Senator, I can preface this by saying at the time, I had taken another position working for the Lawyers for the Reelection and Voter Bloc. I took it on a 2-week trial basis, thinking that this was not the work I would like to do. At the time I was asked to go to Florida to the convention, it was on short notice. I was not particularly happy with my job and thought I was not probably doing a terribly good job for Mr. Piliero. I was in and out of the office quite a lot at that time. So I was a logical one to go ahead of the others.

Mr. LaRue asked me to go down and do some work on the domestic council staff prior to the convention.

Senator INOUYE. So you were in Miami on some party work?

Mrs. HARMONY. Yes, sir.

Senator INOUYE. It was not a reward for your testimony?

Mrs. HARMONY. No, sir; and I have never felt anyone owed me anything.

Senator INOUYE. You have testified that you have no contact with Mr. Mitchell. Is that correct?

Mrs. HARMONY. No, sir; I have had no contact with Mr. Mitchell.

Senator INOUYE. In your discussions with Mr. Liddy, did you discuss the Attorney General?

Mrs. HARMONY. No, sir; I do not recall any discussions that he would have had with me concerning the Attorney General, no.

Senator INOUYE. Can you identify Ruby 1 and Ruby 2?

Mrs. HARMONY. As individuals, no. I would have no idea who they were.

Senator INOUYE. Thank you very much, Mr. Chairman.

Mr. DASH. Mrs. Harmony, I think if you will bring the microphone a little closer to you, some of the others in the room may hear you.

Senator ERVIN. Mr. Baker?

Senator BAKER. Mr. Chairman, if there is no objection, I will yield my turn to Senator Gurney.

Senator GURNEY. Thank you, Mr. Chairman.

Who interviewed you, Mrs. Harmony, when you were hired at the Committee To Re-Elect the President?

Mrs. HARMONY. I was interviewed by the Personnel Director, Mrs. Santarelli, originally. She took me to Mr. Liddy. I talked with him. Then I went back for another screening from Mr. Odle.

Senator GURNEY. I understand that at the time you were hired, there was mention made of being involved in clandestine activities. Is that correct?

Mrs. HARMONY. Yes, sir.

Senator GURNEY. Who brought up that subject?

Mrs. HARMONY. Mr. Liddy.

Senator GURNEY. And what did he say?

Mrs. HARMONY. He said that—I can't give you a quote—that he might be involved in clandestine activities.

Senator GURNEY. Did he describe the clandestine activities to you?

Mrs. HARMONY. He did not.

Senator GURNEY. What did you think he might have meant by that?

Mrs. HARMONY. Well, to me "clandestine" does not mean illegal, and I can keep a secret.

Senator GURNEY. Did he indicate to you that you would be a partner in these clandestine activities?

Mrs. HARMONY. No, sir; he did not indicate anything like that.

Senator GURNEY. You mentioned that Mr. Liddy, I think, had talked to Mr. Hunt. Was that when Mr. Hunt came to Mr. Liddy's office?

Mrs. HARMONY. No. I am not aware that Mr. Hunt ever came to Mr. Liddy's office. I had the opportunity to see Mr. Hunt twice. Mainly it was through phone conversations.

Senator GURNEY. Do you recall what they discussed?

Mrs. HARMONY. I would have no idea.

Senator GURNEY. Do you remember any other people who may have visited Mr. Liddy's office, and if you do, who were they?

Mrs. HARMONY. The only other people that I am aware of that might have been in Mr. Liddy's office were the State finance chairmen or treasurers, who would come in. Actually, our job was to——

Senator GURNEY. And who was that?

Mrs. HARMONY. The State finance chairmen or treasurers from the individual States. Our job was to set up and register with the General Accounting Office all of the State finance committees, make sure that they were properly chartered and authorized to take in money and disburse moneys.

Senator GURNEY. Since we are on the subject of moneys, do you recall any occasion that Mr. Liddy received any moneys from anyone?

Mrs. HARMONY. Are you speaking of payment to Mr. Liddy, Senator Gurney?

Senator GURNEY. That is right, payment, cash, anything in the form of moneys.

Mrs. HARMONY. That was given to Mr. Liddy? No, I am not aware of ever having seen him given any money.

Senator GURNEY. Were you aware of any occasions when he might have given money to anybody else?

Mrs. HARMONY. I am not, only on the occasion of when I gave the sealed envelope to Mr. Hunt that Mr. Sloan had given to me.

Senator GURNEY. And you think there was money in that envelope?

Mrs. HARMONY. That would be my assumption, sir.

Senator GURNEY. Do you have any idea how much and what for?

Mrs. HARMONY. I would have no idea.

Senator GURNEY. No one ever discussed it with you?

Mrs. HARMONY. No.

Senator GURNEY. You did mention that Mr. Liddy received many phone calls himself.

Mrs. HARMONY. Yes.

Senator GURNEY. Do you recall who might have called him that you knew about?

Mrs. HARMONY. I have taken messages and asked him to return calls. I remember he did this——

Senator GURNEY. Do you recall who they were from?

Mrs. HARMONY. We are speaking of just general day-to-day——

Senator GURNEY. That is right.

Mrs. HARMONY. He talked to a number of people, I think, at the White House occasionally.

Senator GURNEY. Who were they?

Mrs. HARMONY. Mr. Dean, Mr. Krogh, Mr. Strachan. He talked to Mr. Barker—I think Roger Barker is at IRS. He had conversations with a couple of people down at the General Accounting Office on occasion.

Senator GURNEY. Let us talk about the White House for a moment. Do you know what he talked about with people at the White House?

Mrs. HARMONY. Senator Gurney, I would have no idea.

Senator GURNEY. He never told you of his conversations?

Mrs. HARMONY. No.

Senator GURNEY. Whom did he talk to most at the White House?

Mrs. HARMONY. I would have no way of knowing that. Let me say, when Mr. Liddy worked, he worked with his door closed, he placed his own calls, and most of the time took his own incoming calls.

Senator GURNEY. Would you have any recollection that he talked to one person more than another?

Mrs. HARMONY. No, I would not.

Senator GURNEY. These memorandums that you typed and referred to Ruby 1, Ruby 2, and Crystal, these must have provoked your curiosity, with Ruby 1, Ruby 2, and then Crystal?

Mrs. HARMONY. No, sir.

Senator GURNEY. They did not?

Mrs. HARMONY. No.

Senator GURNEY. Well, where do you think this information was coming from, from Ruby 1?

Mrs. HARMONY. I put no rhyme or reason with who, you know, what information was coming from whom.

Senator GURNEY. Was the information about finances?

Mrs. HARMONY. No, it would have been the intelligence information, and like I say, I cannot tell you.

Senator GURNEY. Can you give us some vague notion of what the intelligence information was?

Mrs. HARMONY. I can give you three reports that I have typed. This is all I can remember the content of. Do you want the content of them that I can recall?

Senator GURNEY. Yes. May I point out, I am not pointing out whether they were legal or not, I am just asking what they were.

Mrs. HARMONY. I do recall doing the one that was on the subject of—was Robert N. Crabstone. That dealt with some sort of a drug and a girl in a hopsital. That is all I can tell you about it.

Senator GURNEY. Well, do you recall anything that happened that had to do with political activity?

Mrs. HARMONY. No. Another one I received from McGovern headquarters was just a report on the fact that the employees were receiving a pay cut or asked to go on a voluntary basis. And this is the extent of that memo.

Senator GURNEY. Do you recall any of these that may have been originated from other political campaigns other than the one McGovern that you identified?

Mrs. HARMONY. Senator, I am aware that there was someone at one time in the Muskie headquarters.

Senator GURNEY. And what intelligence was received from that individual?

Mrs. HARMONY. I do not know.

Senator GURNEY. But at least one of the memos——

Mrs. HARMONY. I do not remember that it was a memo. I just remember that someone was there. I assume I would have something from that. The reason I am aware of it was one time Mr. Liddy was just talking and he said, I am taking someone from the Muskie headquarters and moving him to McGovern's.

Senator GURNEY. But you do not know whether that was——

Mrs. HARMONY. As to whether it was one person, two people, I do not know.

Senator GURNEY. And you do not know whether it was Ruby 1, Ruby 2, or Crystal?

Mrs. HARMONY. I do not.

Senator GURNEY. This facsimile that you manufactured, how did that come about? Mr. Liddy came into your office and said, "I would

like to have something made up," or could you give us a narrative account of that?

Mrs. HARMONY. Yes, sir; I can. He had looked through a file and could find no McGovern stationery. I had an envelope that I had saved in my desk drawer. Secretary Stans had been solicited from the McGovern headquarters for a contribution. That was given to Mr. Liddy if there were any ramifications.

Senator GURNEY. Did he make any contributions?

Mrs. HARMONY. If he did, I think we would have had the entire content. Mr. Liddy and I—he asked me to go to the Xerox room with him. We took this envelope and used it on the Xerox machine in order to make the facsimile of the McGovern letterhead.

Senator GURNEY. Did he come to you and say, Sally, I need a pass——

Mrs. HARMONY. He needed the envelope.

No, I was in his office, he was looking for the stationery, he could not find it. He said, do you still have the envelope? I said yes.

He said, come to the Xerox room; so we went back and came up with the copies of the stationery.

Senator GURNEY. Did he give you any indication of why he needed it or what he was going to use it for?

Mrs. HARMONY. After he dictated the memo to me. No, I had no idea. It was a real puzzle to me until about 3 weeks ago, in fact, when I think I read a statement Mr. McCord made in the paper that they intended to go into McGovern headquarters that week, also.

Senator GURNEY. You did not ask Mr. Liddy, who is going to use this?

Mrs. HARMONY. No.

Senator GURNEY. Did you ever make any copies of these telephone logs or memos you typed?

Mrs. HARMONY. No, Senator Gurney; I did not.

Senator GURNEY. After you typed them, you turned them over to Mr. Liddy?

Mrs. HARMONY. Yes, sir.

Senator GURNEY. Do you know whether he kept a file in his office of these?

Mrs. HARMONY. Not that I am aware of.

Senator GURNEY. You never saw him file any of these papers?

Mrs. HARMONY. No, I never did see him file any.

Senator GURNEY. Did he ever tell you what he did with them?

Mrs. HARMONY. No, sir; he did not.

Senator GURNEY. I think that is all, Mr. Chairman.

Senator ERVIN. Senator Talmadge.

Senator TALMADGE. Mrs. Harmony, when did your employment with the Committee To Re-Elect the President terminate?

Mrs. HARMONY. On November 20, Senator Talmadge.

Senator TALMADGE. 1972?

Mrs. HARMONY. Yes, sir.

Senator TALMADGE. Where do you now work?

Mrs. HARMONY. Well, I am still working at the Inaugural Committee.

Senator TALMADGE. The next one or the last one?

Mrs. HARMONY. Keep asking me, I will be there 4 more years.

Senator TALMADGE. What do you do?

Mrs. HARMONY. Answering last minute mail, not requests for tickets, requests for refunds, the ball favors that people didn't get, that sort of thing.

Actually, I think one of the main reasons I am down there, we would like to get the final report finished. I am trying to put the individual group file reports in good order for Mr. Marriott. We still have two bookkeepers who are working there and I think they would like me to stay there as long as they are working there.

Senator TALMADGE. What is your salary there?

Mrs. HARMONY. $12,500.

Senator TALMADGE. Did you ever have any contacts while you were working for Mr. Liddy with people that were identified only by their first name?

Mrs. HARMONY. Senator, not that I am aware.

Senator TALMADGE. Neither personally or by telephone or otherwise?

Mrs. HARMONY. No, on occasion when Mr. Barker has called he may have said this is Bernie rather than this is Mr.——

Senator TALMADGE. You knew who those were.

Mrs. HARMONY. Yes, sir.

Senator TALMADGE. You had no contact with people you could not identify other than by their first names?

Mrs. HARMONY. No, sir; not that I am aware of.

Senator TALMADGE. To whom did Mr. Liddy confer most frequently?

Mrs. HARMONY. Senator, I don't quite know what you mean by the question.

Senator TALMADGE. Did he have a lot of business telephone conversations; if so, who did he have most conversations with, most visits with?

Mrs. HARMONY. He very infrequently had visitors in his office and I was sitting in a position I might not have been aware that somebody was in his office; I have on occasion tapped on the door and got in and not realized someone was in there.

Senator TALMADGE. When his telephone would ring would you answer it first or would he answer it?

Mrs. HARMONY. We had two outside lines and two that came through the switchboard. He always answered the one that came through the switchboard. He would frequently answer the outside line himself.

Senator TALMADGE. You were his personal secretary?

Mrs. HARMONY. Yes, sir.

Senator TALMADGE. You don't know who he conferred with the most?

Mrs. HARMONY. No.

Senator TALMADGE. Neither personally nor by telephone?

Mrs. HARMONY. No, sir.

Senator TALMADGE. Who were Mr. Liddy's superiors in the Committee To Re-Elect the President and also the Finance Committee To Re-Elect the President?

Mrs. HARMONY. The Committee for the Re-Election of the President, he would have reported to Mr. Magruder as general counsel and Mr. Mitchell. At the finance committee he reported to Secretary Stans.

Senator TALMADGE. Did Mr. Liddy meet most often with his associates in person or by telephone?

Mrs. HARMONY. I don't ever recall taking a phone call from Mr. Magruder. I would say offhand when he talked to Mr. Magruder he went to Mr. Magruder's office, the same way with Mr. Mitchell, although I cannot be sure of the phone conversations at all.

Senator TALMADGE. Did you ever shred any of Mr. Liddy's materials after the Watergate break-in on June 17?

Mrs. HARMONY. No, sir; I did not work on that Saturday, referring to that incident.

Senator TALMADGE. Did you shred any subsequent letters?

Mrs. HARMONY. Subsequent to that, he asked me to check through his files with him the day he left. There was very little there that——

Senator TALMADGE. What day was that? How many documents did you shred?

Mrs. HARMONY. I think it was the 28th of June, on the day he left. He asked me to pick out anything that might have his handwriting on. There were maybe some old drafts of something, maybe three or four documents perhaps.

Senator TALMADGE. What would those——

Mrs. HARMONY. I would have no idea.

Senator TALMADGE. You shredded only those that had his signature or personal handwriting on it?

Mrs. HARMONY. Personal handwriting.

Senator TALMADGE. With whom did Mr. Liddy meet on a regular basis?

Mrs. HARMONY. He had a staff meeting every morning in Secretary Stans' office. Other than that, I don't know. It was a regular basis.

Senator TALMADGE. Each morning he would leave and go to Secretary Stans' office and have a meeting there.

Mrs. HARMONY. Yes, sir.

Senator TALMADGE. Who else did he meet with besides Secretary Stans?

Mrs. HARMONY. I am not aware he met with anyone regularly.

Senator TALMADGE. What is your knowledge of the extent Mr. Liddy was involved in the Watergate break-in and the McGovern headquarters attempted break-in?

Mrs. HARMONY. What is the extent of my knowledge of it? Mainly what I have read in the newspapers.

Senator TALMADGE. You didn't know anything prior to that?

Mrs. HARMONY. No, sir.

Senator TALMADGE. You had no information from Mr. Liddy, or others, firsthand or subsequent thereto?

Mrs. HARMONY. That he intended to break in to those places?

Senator TALMADGE. Yes.

Mrs. HARMONY. No, sir.

Senator TALMADGE. Or that he did break in.

Mrs. HARMONY. No, sir.

Senator TALMADGE. All you know is what you read in the newspapers subsequent to that time.

Mrs. HARMONY. Yes, sir.

Senator TALMADGE. What is your knowledge as to the type and extent to which Mr. Liddy organized, controlled, or participated in intelligence activities while you were his secretary?

Mrs. HARMONY. Senator, the only information I would have would be the memos that he dictated to me and I typed for him.

Senator TALMADGE. That was the full extent of your knowledge.

Mrs. HARMONY. Yes, sir.

Senator TALMADGE. You knew, of course, that that was coming from sources that weren't quite ethical, I guess?

Mrs. HARMONY. Well, I think maybe at the time someone had mentioned the fact they were aware there were two people in our organization from the other side.

Senator TALMADGE. Were you familiar with the fact some messages were taped by eavesdropping and wiretapping?

Mrs. HARMONY. You are talking about the telephone conversations. I was not aware that they were wiretapped conversations at the time I was doing them.

Senator TALMADGE. You never were apprised of that or subsequent?

Mrs. HARMONY. No, sir.

Senator TALMADGE. What was Mr. Liddy's association with the November group?

Mrs. HARMONY. Mr. Liddy was the general counsel for the committee. I think he was secretary or treasurer of that group. I think after he went to the finance committee that was probably turned over to the general counsel for the committee, Mr. Sedam.

Senator TALMADGE. What was the November Group?

Mrs. HARMONY. It was an advertising organization setup.

Senator TALMADGE. What kind of advertising; what was the nature of the——

Mrs. HARMONY. Political advertising.

Senator TALMADGE. What type, urging the reelection of the President?

Mrs. HARMONY. Yes; it was set up for the Committee for the Re-Election of the President.

Senator TALMADGE. That was the actual extent of the November group?

Mrs. HARMONY. As far as I knew.

Senator TALMADGE. You never knew anything about it but it was an advertising group.

Mrs. HARMONY. Yes, sir.

Senator ERVIN. Senator Weicker?

Senator WEICKER. Thank you, Mr. Chairman. Just a few questions.

Could you tell me what you did in the period prior to moving over to the finance committee of the Committee To Re-Elect the President? There was a period of time when you worked for Mr. Liddy, as I understand, when he was general counsel to the Committee To Re-Elect the President.

Mrs. HARMONY. A 2-week period.

Senator WEICKER. What was the nature of your activities during that 2-week period?

Mrs. HARMONY. We were working on a project at the time getting reporting information and filing date information.

Senator WEICKER. Reporting dates?

Mrs. HARMONY. Filing dates for primaries and elections.

Senator WEICKER. For primaries and elections?

Mrs. HARMONY. We were in contact with the secretaries of State at that time.

Senator WEICKER. Was this in relation to any particular candidacy?

Mrs. HARMONY. I think it runs in my mind we were making some inquiries about what might be necessary for Senator Wallace as to file.

Senator WEICKER. I am sorry——

Mrs. HARMONY. Governor Wallace.

Senator WEICKER. You thought this might be an effort——

Mrs. HARMONY. Yes.

Senator WEICKER. On behalf of Governor Wallace?

Mrs. HARMONY. Not in behalf of, but just trying to determine if he could file and in how many States he might be able to file at that time.

Senator WEICKER. And this was activity being conducted out of the general counsel's office of the Committee To Re-Elect the President?

Mrs. HARMONY. That is right, but it also was to determine the primary dates and the filing dates for the different States for the Committee for the Re-Election of the President.

Senator WEICKER. So that the work related both to the Committee To Re-Elect the President as to filing requirements, primary dates, and am I correct that you stated it also had a relationship to Governor Wallace?

Mrs. HARMONY. I vaguely remember that, sir, and I can't give you any details on it at all.

Senator WEICKER. Let me ask you one more question. Aside from the President and Governor Wallace, was there any particular individual that this work was being done for?

Mrs. HARMONY. Senator Weicker that length of time and that 2-week period I am sorry I just can't recall.

Senator WEICKER. Now, am I correct in paraphrasing your testimony to the committee today, am I correct in my understanding, you have told us that at no time did you say you would lie to protect Gordon Liddy?

Mrs. HARMONY. Senator Weicker, I said I never used the word perjure, I do not recall that I ever made that statement.

Senator WEICKER. To the best of your recollection?

Mrs. HARMONY. To the best of my recollection.

Senator WEICKER. You never made that statement. Now, can you tell me how many times you appeared before the grand jury?

Mrs. HARMONY. Senator, I have appeared before the grand jury four times.

Senator WEICKER. I beg your pardon?

Mrs. HARMONY. Four times.

Senator WEICKER. And can you indicate to me what initiated your second appearance before the grand jury?

Mrs. HARMONY. My second appearance, Senator?

Senator WEICKER. Yes.

Mrs. HARMONY. No, I do not know.

Senator WEICKER. Well, let me ask you this. Were subsequent appearances before the grand jury in any way motivated by the fact that you had withheld information at the time of your first appearance before that body?

Mrs. HARMONY. I have no idea why they called me the second time.

Senator WEICKER. Or third time?

Mrs. HARMONY. The third time? The third time I went back, I had consulted counsel at the time. I think I was called back to maybe clarify some information.

Senator WEICKER. And the fourth time?

Mrs. HARMONY. I think the same reason.

Senator WEICKER. Was it for clarification of your previous testimony before the grand jury, would that be correct?

Mrs. HARMONY [conferring with counsel]. Yes.

Senator WEICKER. I have no further questions, Mr. Chairman.

Senator ERVIN. Senator Montoya?

Senator MONTOYA. Mrs. Harmony, other than transcribing from the bug information and the dictation from Mr. Liddy, did you type any other secret memorandums which were labeled as confidential or conveying something clandestine?

Mrs. HARMONY. Senator Montoya, other than the ones that I have related, those are the ones that I can recall.

Senator MONTOYA. What were your principal duties as secretary to Mr. Liddy?

Mrs. HARMONY. Well, my main function was to set up the State finance committees, make certain they were properly registered with the GAO, all the forms were filed, they were properly chartered, that they received letters of authorization from Secretary Stans that they could collect and disburse moneys. They were in a constant state of perhaps changing treasurers——

Senator MONTOYA. Besides those activities relating to campaigns, did he dictate letters to you?

Mrs. HARMONY. Yes sir.

Senator MONTOYA. Other than the confidential memorandums?

Mrs. HARMONY. Yes, sir.

Senator MONTOYA. About which you have testified?

Mrs. HARMONY. Yes, sir.

Senator MONTOYA. Did you also answer the telephones?

Mrs. HARMONY. Yes, sir.

Senator MONTOYA. Did you arrange appointments for him?

Mrs. HARMONY. I do not recall any occasion—yes, a couple of times when somebody from the State might have been coming in they would have told me from some other office and I would have told him that someone was coming in at a given time.

Senator MONTOYA. You knew he had met with Mr. Mitchell at the Department of Justice on several occasions, did you not?

Mrs. HARMONY. Senator, I did not. I knew that he had gone to the Department of Justice but with whom he met I did not know.

Senator MONTOYA. Did you keep his log of appointments?

Mrs. HARMONY. No, sir.

Senator MONTOYA. Did you have an opportunity to observe them?

Mrs. HARMONY. I have never seen an appointment book that he had.

Senator MONTOYA. You mean he kept his appointment book locked in his desk?

Mrs. HARMONY. I had access to his desk. He did not keep an appointment book as far as I am aware.

Senator MONTOYA. Tell us what kind of a desk; did he have a key to the desk and also a combination lock?

Mrs. HARMONY. No, he had only a key to his desk.

Senator MONTOYA. Now you say that Mr. Liddy ordered the stationery with a letterhead Gemstone. How many copies of this stationery or how many sheets did he order?

Mrs. HARMONY. Senator, I do not know.

Senator MONTOYA. Did he place more than one order?

Mrs. HARMONY. Not as far as I am aware. Only one was delivered.

Senator MONTOYA. Where was this stationery kept?

Mrs. HARMONY. The stationery was kept in the bottom drawer of his file cabinet.

Senator MONTOYA. Did anybody else use this stationery?

Mrs. HARMONY. Not that I am aware of, sir, no.

Senator MONTOYA. How much did you pay for this stationery when you paid for it?

Mrs. HARMONY. Well I made the statement that the figure was $57. In the meantime I heard it might have been $67.

Senator MONTOYA. You mentioned in your statement before the committee during the interview that you took quite a few documents, secret documents, to your apartment, did you not?

Mrs. HARMONY. No, Senator I did not.

Senator MONTOYA. You gave the testimony before the committee during the interview indicating that you had taken some documents that belonged to Mr. Liddy to your apartment in your car, did you not?

Mrs. HARMONY. Oh, I am sorry. I took some files, some pictures, some things from his office to my apartment in my car; yes. They were two cardboard cartons with things that belonged to him.

Senator MONTOYA. Did you take them out of his desk or did you take them out of the file?

Mrs. HARMONY. Actually the things that he and I had gathered up before he left the night before, other than taking the pictures off the walls.

Senator MONTOYA. Where did you gather them from?

Mrs. HARMONY. The boxes were on his desk.

Senator MONTOYA. Were they confidential in nature or were they reports of investigations or what?

Mrs. HARMONY. Senator, I do not know what he might have put in his briefcase and taken the night he left. I am only aware of what was put in those boxes and I was asked to bring home. It was not a bit confidential information. He had a voluminous gun control file which was part of it. I think copies of personal letters he had done.

Senator MONTOYA. Did the fact that you were writing letters on Gemstone stationery ever arouse your curiosity as to the clandestine nature of the activity which the information might have portrayed?

Mrs. HARMONY. Senator, it did not.

Senator MONTOYA. Did you, during the month of May, or during the early part of June, type any memorandum with respect to Democratic national headquarters or the McGovern headquarters?

Mrs. HARMONY. You are speaking of prior to the break-in?

Senator MONTOYA. Yes.

Mrs. HARMONY. No, Senator, not that I am aware of.

Senator MONTOYA. You mentioned that you had some pictures supposedly from the Democratic National Committee with some fingers on them. Did that not indicate to you that they came from the national committee?

Mrs. HARMONY. No, Senator, I did not know where they had come from.

Senator MONTOYA. And you did not type any memo whatsoever before the break-in?

Mrs. HARMONY. Yes, memorandums that I have mentioned to you before that I had received from Senator McGovern's headquarters.

Senator MONTOYA. You have indicated a very hazy memory, Mrs. Harmony, about the contents of the memorandum which you typed, did you—see if you can recall—did you type any memorandum with respect to anything at Democratic national headquarters or McGovern headquarters prior to the break-in in June?

Mrs. HARMONY. Senator, only the memorandums that I have mentioned are the only ones that I can remember. I will say this. I did take dictation from Mr. Liddy. As any secretary may be aware, the first word will not relate to the third, you only take down words. When you type it you only type words, so if you do not read it for content you do not remember the content.

Senator MONTOYA. Well, what were the memorandums with respect to the Democratic National Committee about, how closely tied to the national committee, what was it?

Mrs. HARMONY. Senator, I do not know which memorandum you are referring to.

Senator MONTOYA. I am referring to any memorandums that you might have typed prior to the break-in with respect to the Democratic National Committee or the McGovern headquarters.

Mrs. HARMONY. Prior to the break-in I typed some general intelligence memorandums. One had to do with the subject of Robert Cranston, one had to do with the status of the McGovern workers in the headquarters, one was a list of typewritten names of the workers in the McGovern headquarters, and the other two were the tapes that we have talked about. This is all I can recall doing.

Senator MONTOYA. And how did the pictures of Mr. O'Brien and others get to Mr. Liddy's desk, and did you ask any questions about those or do you have any recollection as to why they got there?

Mrs. HARMONY. I have no idea how they got to his desk. I did not see them brought into the office at all. I do not know what disposition was made of them.

Senator MONTOYA. What happened to the files which you took for Mr. Liddy to your apartment?

Mrs. HARMONY. Mr. Liddy came by and picked them up.

Senator MONTOYA. Since the break-in who have you talked to among the individuals involved in this, from the White House and including Mr. Magruder and any others from the Department of Justice? Who have you talked to about this case?

Mrs. HARMONY. I have been interviewed by the FBI.

Senator MONTOYA. Did you talk to Mr. Dean about this case?

Mrs. HARMONY. No, I do not know Mr. Dean.

Senator MONTOYA. Did you talk to the attorney for the Committee To Re-Elect the President, Mr. O'Brien?

Mrs. HARMONY. Yes, before my grand jury appearance, yes, I have had conversations with Mr. O'Brien. I think everyone who went to the grand jury probably did.

Senator MONTOYA. Did you talk to Mr. Liddy?

Mrs. HARMONY. Concerning this?

Senator MONTOYA. Yes, concerning your grand jury appearance before this committee or either.

Mrs. HARMONY. No, I do not think I have discussed anything about my grand jury appearance with Mr. Liddy or about appearing before the Hill, no.

Senator MONTOYA. That is all, Mr. Chairman.

Senator ERVIN. Mrs. Harmony, when did you deliver an envelope to Mrs. E. Howard Hunt which you believed contained money?

Mrs. HARMONY. I delivered an envelope to Mr. E. Howard Hunt.

Senator ERVIN. When was that, was that before or after the break-in?

Mrs. HARMONY. That was before, sir. It would have been the week of April 7, I would say probably the 4th or 5th of April. Mr. Liddy was traveling at that time.

Senator ERVIN. Now, how often did you deliver envelopes to E. Howard Hunt?

Mrs. HARMONY. That was the only time.

Senator ERVIN. You say that Mr. Liddy reported to Mr. Stans and to Mr. Magruder?

Mrs. HARMONY. Mr. Liddy when he was counsel to the finance committee, reported directly to Mr. Stans in that capacity.

Senator ERVIN. And he stated to you virtually every day that he was going to see Mr. Stans?

Mrs. HARMONY. Mr. Stans had a staff meeting every morning.

Senator ERVIN. Had a staff meeting every morning attended by Mr. LIDDY?

Mrs. HARMONY. Yes, sir.

Senator ERVIN. How often did you see Mr. Magruder and Mr. Liddy together?

Mrs. HARMONY. I do not recall. Well, one time I did deliver a memo to Mr. Magruder's office when Mr. Liddy was there. It was an intelligence memo which he had dictated to me. He was in a hurry, said bring it to Mr. Magruder's office. That, I did.

Senator ERVIN. Did I understand you to testify Mr. Liddy on one or more occasions told you he was going to visit Mr. John Mitchell?

Mrs. HARMONY. Yes, he has told——

Senator ERVIN. How many times did he make statements to that effect to you?

Mrs. HARMONY. Senator Ervin, that would be difficult for me to say. I would say maybe two or three occasions. Mr. Liddy has on many occasions gone out of the office on the second floor and said, I am going upstairs.

Senator ERVIN. Who was upstairs?

Mrs. HARMONY. Anybody that was not with the finance committee.

Senator ERVIN. Where was Mr. Mitchell's office?

Mrs. HARMONY. Mr. Mitchell's office was on the fourth floor, I think.

Senator ERVIN. That is upstairs?

Mrs. HARMONY. That was upstairs. Mr. Magruder was upstairs, yes.

Senator ERVIN. But on several occasions Mr. Magruder did tell you he was going to visit Mr. Mitchell?

Mrs. HARMONY. Mr. Liddy has on occasion said he was going to Mr. Mitchell's office.

Senator ERVIN. You spoke of the fact that there were telephone conversations between Mr. Liddy and Bernard Barker.

Mrs. HARMONY. Yes, sir.

Senator ERVIN. Were these long distance calls?

Mrs. HARMONY. Senator, sometimes Mr. Barker did call from Florida and sometimes I was really not aware where he was calling from.

Senator ERVIN. How often did conversations occur between Mr. Liddy and Mr. Barker?

Mrs. HARMONY. By Mr. Liddy answering his own phone I cannot give you a definite answer. I would say offhand I may have taken four or five calls from Mr. Barker.

Senator ERVIN. About what time of the year did these occur?

Mrs. HARMONY. Well, there have been two calls from Mr. Barker during the last 2 weeks in March when we worked upstairs, I am aware of.

Senator ERVIN. Did you know what they talked about?

Mrs. HARMONY. No, sir.

Senator ERVIN. You also state that on some occasions Mr. Liddy had telephone conversations with people in the White House. Can you identify any of those people except Mr. John W. Dean III and Mr. Krogh?

Mrs. HARMONY. I think he talked with Mr. Strachan occasionally. If I had the list of names I could pick some out.

Senator ERVIN. How frequently did these conversations occur?

Mrs. HARMONY. I say very infrequently. But he may have made his own, placed his own calls that I am not aware.

Senator ERVIN. Did he receive any calls from the White House, to your knowledge?

Mrs. HARMONY. No, sir; I am not aware, I do not recall.

Senator ERVIN. You do know that he made calls to the White House and talked with Mr. Strachan, Mr. Dean, and Mr. Krogh?

Mrs. HARMONY. Yes, he would have received calls because as I recall, I would have taken a "leave word" if he was not there.

Senator ERVIN. Why was the committee concerned with Governor Wallace's campaign?

Mrs. HARMONY. I do not know.

Senator ERVIN. How often did you hear Governor Wallace's campaign discussed by Mr. Liddy?

Mrs. HARMONY. Mr. Chairman, this was during my first week or two with the committee. I was a little at odds at knowing who was doing what. I only just did some work that was given to me.

Senator ERVIN. Now you know from memos that Mr. Liddy was receiving intelligence from the McGovern headquarters, do you not?

Mrs. HARMONY. Yes, sir.

Senator ERVIN. Do you know from whom he was receiving that intelligence?

Mrs. HARMONY. Mr. Chairman, I do not.

Senator ERVIN. Do you know whether he received it from somebody who had infiltrated Mr. McGovern's headquarters?

Mrs. HARMONY. That was my assumption.

Senator ERVIN. And the same thing is true with reference to the headquarters of Senator Muskie?

Mrs. HARMONY. That is my assumption.

Senator ERVIN. So his clandestine operations, whatever they were, extended into the headquarters of two Senators who were seeking the Democratic nomination for President?

Mrs. HARMONY. Yes, sir.

Senator ERVIN. Can you identify this document?*

Mrs. HARMONY. That particular one, no, sir.

Senator ERVIN. Can you identify that it is like some documents you have seen?

Hand this to the witness.

Mrs. HARMONY. I can see it, Senator. I don't know whether I have seen that or not.

Senator ERVIN. I am not asking you whether you have seen this particular document. Have you seen——

Mrs. HARMONY. I know.

Senator ERVIN. I wish you would look at it and tell me whether you have seen a document similar to this one.

Mrs. HARMONY. I don't recall. I am sorry. I do not recall.

Senator ERVIN. You are unable to identify that as the folders in which what you typed on the Gemstone papers was marked?

Mrs. HARMONY. I hate to be unable to identify it as that, but with the wording down in the left-hand corner, it might well be. But I don't recall putting any material in it, Senator, no, sir.

Senator ERVIN. But you do know the Gemstone typing was put into some kind of conveyance similar to that, don't you?

Mrs. HARMONY. No, sir. I only typed the material and gave it back to Mr. Liddy.

Senator ERVIN. Mr. Baker.

Senator BAKER. Mr. Chairman, thank you very much.

Mrs. Harmony, I believe the committee and staff have covered your testimony very thoroughly. You have been interviewed with the staff on what, two occasions, I believe?

Mrs. HARMONY. Three occasions.

Senator BAKER. And you have appeared before the grand jury——

Mrs. HARMONY. On four occasions.

Senator BAKER. Four times.

There is only one question or one line of questioning that occurs to me that might be further elaborated. Your testimony, as I understood it, was that you gave the Gemstone stationery invoice to Mr. Magruder.

Mrs. HARMONY. Yes, sir.

Senator BAKER. Rather than to Mr. Odle.

Mrs. HARMONY. Yes, sir.

Senator BAKER. Because as I understood you to say, you thought he would know more about it.

Mrs. HARMONY. Yes, sir.

Senator BAKER. Could you tell me why you thought he would know more about it?

Mrs. HARMONY. I cannot tell you, other than the fact that I do know Mr. Liddy saw him frequently. But my being aware that any of this material was given to Mr. Magruder, I cannot factually say that I gave it to him or handed it to him other than the fact that he did take one general intelligence memo to Mr. Magruder when Mr. Liddy was in the office.

*The document referred to was later marked exhibit No. 18 on p. 497.

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Senator BAKER. I rather judge that you are probably a very, very efficient secretary. I rather judge you are probably telling us exactly the truth when you say a good secretary-stenographer listens to words and not to content. I can't really quarrel with that. I have good secretaries and I know that to be the case, I believe. But it is difficult for me to comprehend that you made an independent decision to give this to Mr. Magruder rather than Mr. Odle without having some basis for making that judgment. Can you help me with that?

Mrs. HARMONY. No, I cannot. I only knew that I should take it to Mr. Magruder. I had no reason.

Senator BAKER. Could you give us any inkling of why you should do that?

Mrs. HARMONY. No inkling at all.

Senator BAKER. Well, now, let's move on from that for a moment. I really don't want to press you. I think you have been very cooperative. But did you have some reason to think that this dealt with money that might be spent secretly? Did you have some reason to think this might have something to do with a separate classification of intelligence gathering or clandestine activities with some other branch of activity beyond the scope and jurisdiction of the regular chain of command? Did any of those things lead you to the conclusion that it ought to go to Mr. Magruder?

Mrs. HARMONY. The word "Gemstone" was printed on the invoice, sir, as Gemstone stationery.

Senator BAKER. Ruby 1, Ruby 2, and Crystal.

Mrs. HARMONY. "Gemstone" stationery.

Senator BAKER. Was that what caused you to give it to Mr. Magruder?

Mrs. HARMONY. That is what caused me to give it to Mr. Magruder. Had it been a regular invoice or just simply stationery, I would have probably processed it through myself.

Senator BAKER. What was your understanding of the code word, "Gemstone?"

Mrs. HARMONY. The code word "Gemstone," when we started to use it, encompassed the general intelligence memos plus the telephone conversations that I typed.

Senator BAKER. Did you give other Gemstone material to Mr. Magruder?

Mrs. HARMONY. I don't know whether the memo that I took up to him that time and put it on plain white bond, it may have been "Gemstone" at the top of that one. I don't recall.

Senator BAKER. I remember now you said those documents were given to Mr. Liddy and you lost touch with where they went after that.

Mrs. HARMONY. That is right, sir.

Senator BAKER. Why didn't you give this invoice to Mr. Liddy?

Mrs. HARMONY. Mr. Liddy was gone. It came after he was discharged from the committee.

Senator BAKER. An additional reason, then—let me ask you, had Mr. Liddy been there, what would have been done?

Mrs. HARMONY. I would have given it to him.

Senator BAKER. Because it said "Gemstone" on there?

Mrs. HARMONY. Because it was Gemstone, and I would assume he would not want it to be processed by the finance committee in that form.

Senator BAKER. Did you destroy the Gemstone invoice?
Mrs. HARMONY. Yes, I did.
Senator BAKER. Why?
Mrs. HARMONY. Mr. Magruder asked me to destroy it.
Senator BAKER. Did he tell you why?
Mrs. HARMONY. No, he didn't have to tell me why.
Senator BAKER. Then I would like to know why.
Mrs. HARMONY. Because Mr. Liddy had been discharged from the committee, it had the word "Gemstone" on it. I was familiar with the word "Gemstone" and the way I had used it, I thought probably a lot of the members of the committee were not aware of that.
Senator BAKER. Mrs. Harmony, why would you be concerned for the destruction of this material? You knew that Mr. Liddy was no longer there. You knew from newspaper accounts of the break-in at the Watergate complex. You knew that this invoice had reference to Gemstone which had to do with clandestine, although, as you put it, not necessarily illegal, activity. You knew, apparently, that it was so sensitive that it ought to be destroyed.
Mrs. HARMONY. Yes, sir.
Senator BAKER. Now, what in the total concept of your perception of Gemstone as an operation, what led you to believe independently or led you to concur in the judgment of Mr. Magruder that that information ought to be destroyed, ought to be shredded? What were you thinking of when you thought that?
Mrs. HARMONY. Senator Baker, after I had been aware of the break-in at Democratic National Committee headquarters, I knew that the telephone conversations that I had typed had come from there. They I identified with Gemstone.
Senator BAKER. Were there any other Gemstones involved, other than Ruby 1, Ruby 2 and Tuesday—I mean Crystal? [Laughter.]
Mrs. HARMONY. Those are the only ones I recall, sir.
Senator BAKER. I am sorry, tell me again.
Mrs. HARMONY. Those were the only ones I recall.
Senator BAKER. There were no other gems involved?
Mrs. HARMONY. I don't recall that there were.
Senator BAKER. Did you destroy any other information, any other document besides your stenographic notepad which you have testified to, and the Gemstone invoice?
Mrs. HARMONY. And some material when Mr. Liddy and I cleaned out his files. that he asked me to destroy that had his handwriting on.
Senator BAKER. Do you know what the contents of those documents were?
Mrs. HARMONY. I do not. As I said, they would have been drafts and something retyped and probably just put back in the folder for no particular reason.
Senator BAKER. He did not express or state a reason for the destruction of these particular documents?
Mrs. HARMONY. No sir.
Senator BAKER. Did he later?
Mrs. HARMONY. No.
Senator BAKER. At any time?
Mrs. HARMONY. No.
Senator BAKER. After the break-in?

Mrs. HARMONY. This was the day he left the committee.

Senator BAKER. Did he come to your house and pick up some material?

Mrs. HARMONY. Yes sir, he did.

Senator BAKER. Did he tell you anything then about why he came to your house to pick up material?

Mrs. HARMONY. Senator, I took the things home because it was late—not late in the evening. He had been discharged from the committee. I think probably I offered—I know I offered to take the things out for him. I mean, you know, rather than go through the whole thing with everybody that night, which might have proved a little embarrassing at that particular time.

He said, you know, I have been fired. I said, why don't you let me take it and you can pick it up.

Senator BAKER. When he did pick it up, did he tell you why he wanted certain material and why he wanted other material destroyed?

Mrs. HARMONY. No sir.

Senator BAKER. I hate to press you on this, but you understand that Mr. Liddy has so far not testified, either in court or before this committee, and I am struggling more than I ordinarily would to try to get at this subject matter. But did Mr. Liddy tell you, assign you any reason for wanting to reclaim certain of that?

Mrs. HARMONY. They were his personal articles.

Senator BAKER. Can you verify that they were in fact personal articles?

Mrs. HARMONY. Yes sir, I think so.

Senator BAKER. Can you tell us of what nature?

Mrs. HARMONY. There was a personal file folder that I am aware of. There were pictures from his wall, his law degrees. There was a couple of volumes of the Criminal Law Reporter that you put in a binder, whatever that is; his gun control files, which were quite voluminous. They belonged to him. They were his personal possessions.

Senator BAKER. I have a lot of other questions, Mr. Chairman, but I think that the witness has been very patient.

I understand, Mrs. Harmony, if we need you to return, you will return.

Mrs. HARMONY. I will be happy to, Senator.

Senator BAKER. Thank you very much.

Senator ERVIN. I have only two questions.

After Mr. Liddy dictated letters or memorandums to you and after you typed those letters or memorandums, did you not read the letters or memorandums to find out whether or not you committed any grammatical errors?

Mrs. HARMONY. Senator, I think normally, you will find you just glance over them and you really do not read for content.

Senator ERVIN. My secretaries read what I dictate to them afterward for grammatical errors.

Mrs. HARMONY. Well, you can see whether the subject matches the verb and this sort of thing, but to know what the content is, I think you don't read it well enough to retain it in your mind as to what it was.

Senator ERVIN. Did Mr. Liddy tell you why he was discharged from the committee?

Mrs. HARMONY. The reason he gave me that he was discharged by the committee was that he had refused to answer the questions posed to him by the FBI agents that afternoon.

Senator ERVIN. Mr. Dash.

Mr. DASH. Mrs. Harmony, I think on the subject of whether you knew the content or what it was you were in fact typing——

Mrs. HARMONY. Yes.

Mr. DASH. Did you ever have, prior to your job with the Committee To Re-Elect the President, any type of job where you were engaged in security activity or had any experience with telephone logs?

Mrs. HARMONY. No, sir.

Mr. DASH. You did know, however, when you were discussing either with Mr. McCord or typing from the dictation or the memos the telephone logs, that they were telephone conversations?

Mrs. HARMONY. Yes, sir.

Mr. DASH. I think it was your testimony earlier that you did know there were certain topics. I think you mentioned conversations concerning goods and services of the Democratic National Committee. You were aware of certain topics?

Mrs. HARMONY. Yes, sir.

Mr. DASH. And you were aware that they did deal with the Democratic campaign?

Mrs. HARMONY. I beg your pardon?

Mr. DASH. You were aware that the topics did deal with the Democratic campaign.

Mrs. HARMONY. This particular one did. Yes.

Mr. DASH. And the telephone conversations?

Mrs. HARMONY. Yes, there was one.

Mr. DASH. And the telephone conversations. Were you able to know from what you were typing that there were two parties involved?

Mrs. HARMONY Two people——

Mr. DASH. A person sending a message and a person receiving the message?

Mrs. HARMONY. Yes, there were two people involved, yes.

Mr. DASH. Do you have any idea how that came to be, that it was being recorded or typed by you? How did you find from your own knowledge that somebody in Mr. Liddy's position or Mr. McCord's position had in his possession the conversation of two people on the telephone?

Mrs. HARMONY. I am sorry, Mr. Dash, I am not understanding your question.

Mr. DASH. Well, you knew you were typing the conversation of two people on the telephone, did you not?

Mrs. HARMONY. That is right.

Mr. DASH. And that this was based upon a recording, did you not?

Mrs. HARMONY. Not necessarily. It could have been two people in the same room, one on another extension.

Mr. DASH. But it was a telephone conversation?

Mrs. HARMONY. Yes.

Mr. DASH. And it was a telephone conversation of the people in the Committee To Re-Elect the President?

Mrs. HARMONY. No, sir.

Mr. DASH. I think you have testified that it had to do with the Democratic Party.

Mrs. HARMONY. Mr. Dash, I have testified, I have given you two names. I did not know—no offense to these people—but I did not know who they were or where they were physically located or that they were in fact with the Democratic National Committee. I am aware that the contents of one of the memos did deal with possible Democratic candidates.

Mr. DASH. Now, you were aware, I think you testified earlier, that Mr. Liddy told you he was going to be involved in clandestine activities?

Mrs. HARMONY. Yes, sir.

Mr. DASH. And you did use this particular stationery for recording that clandestine activity?

Mrs. HARMONY. Yes, sir.

Mr. DASH. I have no further questions.

Senator ERVIN. Mr. Thompson.

Mr. THOMPSON. No, Mr. Chairman, I have none.

Senator ERVIN. I would like to state on behalf of the committee—the witness is excused.

[Witness excused.]

I would like to state on behalf of the committee that as chairman, I met with the committee staff for the purpose of receiving the testimony in executive session of Mr. G. Gordon Liddy, who appeared in person with attorney in response to a subpena issued by the committee. Mr. Liddy declined to take the oath as a witness and declined to testify, either then or before the committee in an open meeting, on the basis that he contended he was exempt from so doing by the fifth and sixth amendments. The matter has been considered by the full committee. Also, there was an immunity order under sections 6002 and 6005 of Title 18, United States Code. He declined to testify on the ground that he was exempt from so doing, notwithstanding the immunity order, by the fifth and sixth amendments.

In view of the fact that Mr. Liddy has an appeal pending and in the event that a new trial should be awarded, he would have the right to refrain from taking the witness stand or going on the witness stand at his election, the committee decided they would not insist on receiving his testimony at this time.

I want to thank you, Mrs. Harmony, for appearing before the committee and for your testimony.

It is almost the regular recess time and unless there is some objection on the part of the committee, we will defer calling the next witness until the committee resumes the session at 2 o'clock.

[Whereupon, at 11:50 a.m., the hearing was recessed, to reconvene at 2 p.m., this same day.]

AFTERNOON SESSION, TUESDAY, JUNE 5, 1973

Senator ERVIN. The committee will come to order.

Counsel will call the next witness.

Mr. DASH. Will Mr. Robert Reisner take the witness chair, please?

Senator ERVIN. Will you stand up? Hold up your right hand. Do you swear that the evidence that you shall give to the Senate Select Committee on Presidential Campaign Activities shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. REISNER. I do.

Mr. DASH. Mr. Chairman, Terry Lenzner, assistant chief counsel, will ask the first few questions of the witness.

Mr. LENZNER. Mr. Reisner, will you spell your name and address please?

TESTIMONY OF ROBERT A. REISNER

Mr. REISNER. My name is Robert Reisner, middle initial A. F., my address is 2727 29th St. NW., Washington.

Mr. LENZNER. Will you spell your last name?

Mr. REISNER. R-e-i-s-n-e-r.

Mr. LENZNER. And you are appearing here today without counsel; is that correct?

Mr. REISNER. That is correct.

Mr. LENZNER. Do you have any short opening statement you would like to make?

Mr. REISNER. No, I do not. As you know, Mr. Lenzner, Mr. Chairman, I have met with your staff on a number of occasions in an effort to try to be cooperative as I can be and I am appearing here in the same spirit and I will be glad to answer your questions.

Senator ERVIN. I would like to say on behalf of the committee the staff assures me that you have been most cooperative.

Mr. REISNER. Thank you.

Mr. LENZNER. Mr. Reisner, were you employed by the Committee To Re-Elect the President in November of 1971?

Mr. REISNER. I was.

Mr. LENZNER. And what was your position with the committee?

Mr. REISNER. I was administrative assistant to Mr. Jeb Magruder.

Mr. LENZNER. And how long did you hold that position?

Mr. REISNER. I worked for Mr. Magruder from November 1971 until July 1972. In July, I then went to work for Mr. Clark MacGregor as his executive assistant.

Mr. LENZNER. When did you leave the Committee To Re-Elect?

Mr. REISNER. On November 8, following the election.

Mr. LENZNER. Can you briefly describe your duties as Mr. Magruder's administrative assistant?

Mr. REISNER. My duties were pretty conventional—that of administrative assistant. There were three kinds of duties. Basically I was responsible for the people, for coordinating among the people that he saw, in other words, his schedule. I was responsible for coordinating the paper flow that came in and out of his office and, therefore, the decisions, just keeping track of the decisions that accompanied that paper flow. And finally, I was responsible for sort of followup role, just keeping tabs on things that he wanted to have done and that he had asked various senior staff members to do for him.

Mr. LENZNER. Now, in those duties did you maintain a diary of Mr. Magruder's schedule?

Mr. REISNER. No, I did not personally maintain a diary. I was responsible for his calendar and I had a secretary who also worked directly for Mr. Magruder named Vicki Chern, and her role was to keep a calendar and keep his own calendar up to date and that would be the accurate record of his schedule.

Mr. LENZNER. Now, did there come a time when you were introduced to Gordon Liddy?

Mr. REISNER. Yes, I was.

Mr. LENZNER. And when was that and who introduced you?

Mr. REISNER. Well, I met Mr. Liddy, I would imagine, the first time sometime around the beginning of the time that he came to the committee. I believe that would have been in December of 1971.

Mr. LENZNER. And who introduced you to him?

Mr. REISNER. Mr. Magruder introduced me to him in the sense of a formal introduction. I suppose I perhaps met Mr. Liddy the first time at a staff meeting in December 1971.

Mr. LENZNER. What did Mr. Magruder say at the staff meeting about Mr. Liddy's activities?

Mr. REISNER. Mr. Magruder indicated at that time that Mr. Liddy was going to become general counsel of the committee for the reelection of the President and in addition to that he made a joke about the fact that Mr. Liddy would also be involved in some research activities.

Mr. LENZNER. Can you describe those research activities in any other detail?

Mr. REISNER. Yes; he was making a joke about it and I think that he may have said something to the effect of Mr. Liddy also has other talent, I think there was some phrase similar to super sleuth or something to that effect. The reason I remember that is subsequently I was told by another member of the staff that Mr. Liddy was rather upset about that reference.

Mr. LENZNER. Now I am going to show you, Mr. Reisner, some documents and ask you if you can identify these copies of materials which you previously turned over to the committee pursuant to the subpena duces tecum?

Mr. REISNER. Yes, sir; the documents that you have just given me are copies of a log which I maintained myself. Beginning in January of 1972, I began to keep a notebook which was basically a calendar notebook but I did not use it as an accurate recording of meetings or dates, I used it just for my own personal use to keep track of things in chronological order.

Mr. LENZNER. Including some of Mr. Magruder's appointments?

Mr. REISNER. Yes, my entire job was related between November of 1971 and July of 1972, my job was related to his activities and as a result it was that key to my own activities and I recorded what was going on.

Mr. LENZNER. Mr. Chairman, may we have these documents entered as part of the record?

Senator ERVIN. The reporter will mark them with the appropriate number.

[The documents referred to were marked exhibit No. 17.*]

Mr. LENZNER. Would you look at the first entry on January 27, 1972. Does that reflect a meeting at approximately 11 o'clock with several individuals, including Mr. Magruder?

Mr. REISNER. Yes. What it says here at 11 o'clock, it says Jeb, John Dean, Gordon Liddy, and then there is at White House. There is a notation indicating that.

Mr. LENZNER. And the next document—the next page—does that reflect a meeting on February 4 at approximately 4 o'clock?

Mr. REISNER. It is on the third page. It says meeting with AG with Liddy. What that would have indicated, it would have simply in-

*See p. 878.

dicated that Mr. Magruder had a meeting in the Attorney General's office and that it was the intention at the time that this notation was made that Mr. Liddy would accompany Mr. Magruder to that meeting. This does not record the fact that such a meeting would have taken place.

Mr. LENZNER. Now, for the same date, February 4, is there also an indication that reads, file folders ready for AG?

Mr. REISNER. Yes, it does, at 2 o'clock.

Mr. LENZNER. Would you explain what that means?

Mr. REISNER. The nature of Mr. Magruder's, the way in which he prepared himself to go to meetings with Mr. Mitchell, both during the time that he was Attorney General and subsequently, was that he had two large gray file folders. One of them contained documents that Mr. Magruder wished to bring up with Mr. Mitchell, the other contained copies, identical copies of those documents and for Mr. Magruder's convenience so that if he handed Mr. Mitchell a copy of a document he would himself have a copy to refer to, and that is what this refers to. It means that those two folders were prepared with the documents that he wanted to take to the meeting with him.

Mr. LENZNER. Prior to the meeting with Mr. Mitchell, did Mr. Liddy ask you to obtain anything for him in preparation for that meeting?

Mr. REISNER. I am not certain whether this was the meeting. I do not remember Mr. Liddy going to meetings with Mr. Mitchell very often. I presume this was the meeting. I can remember a conversation with Mr. Liddy in which he came to me and indicated that he had something of the nature of a visual presentation that he wished to make and he was interested in being certain that there was an easel or something that he could mount this on in Mr. Mitchell's office. I subsequently tried to determine whether there was such assistance. I do not think I had it myself, I think I asked one of the secretaries to call Mr. Mitchell's secretary to make that determination, and there was none. That was the nature of the conversation and his inquiry.

Mr. LENZNER. Did you ever see Mr. Liddy with any charts or packages?

Mr. REISNER. I saw him with a package that I think might have been charts and might not have been charts, I can't say.

Mr. LENZNER. Do you remember approximately when that was?

Mr. REISNER. I relate it to approximately the same period of time.

Mr. LENZNER. Do you know if anybody else attended this meeting on February 4 or was scheduled to attend it besides Mr. Liddy and Mr. Mitchell and Mr. Magruder?

Mr. REISNER. I do not know. I have been shown the records that were kept by the secretary who worked for me, Vicki Chern, and in those records it indicates that Mr. Dean attended, would have been invited to attend that meeting too. That is what the records show. I have no recollection myself.

Mr. LENZNER. Now, in February or March of 1972, did Mr. Liddy furnish you with a document to give to Mr. Magruder?

Mr. REISNER. I think that we have discussed a document which Mr. Liddy gave to me. He from time to time would come into my office, which was located in front of Mr. Magruder's office, it was adjacent, when Mr. Liddy was unable to get in to see Mr. Magruder, because he was busy or for other reasons or perhaps he just hadn't

scheduled an appointment, he would from time to time stop in my office, indicate the nature of his business. He from time to time had stopped in and on one occasion I can remember him giving me a sheet of paper which I would identify only as being a blank sheet of paper with such typing on it. I don't remember. A letterhead. On this sheet of paper, the only recollection I have of the sheet of paper that we have discussed is there was some figures in the right-hand side of the page. Mr. Liddy made the statement to me that he hated to write something like this down and that is literally the extent of the statement. It was clear to me that I shouldn't, that it wasn't for my consumption either because of the way in which he gave me the piece of paper, as he handed it to me it was put face down on the desk, and I would say within a matter of minutes given to Mr. Magruder and that is——

Mr. LENZNER. Do you remember if there was a total amount on the paper?

Mr. REISNER. We discussed this. My best recollection is there could have been a total and I seem to remember the figure "250." Subsequently I have read newspaper accounts indicating there was $250,000 in a certain alleged budget. It is supposition on my part to say what the piece of paper was. I don't know.

Mr. LENZNER. Now, did Mr. Magruder go to Florida in late March 1972?

Mr. REISNER. In late March 1972, yes, he did.

Mr. LENZNER. Is that reflected in the documents in front of you, that trip for March 29, 30, and 31?

Mr. REISNER. Yes. On the 29th there is an entry saying "Jeb leaving for Miami."

Mr. LENZNER. Do you know who he was going to see?

Mr. REISNER. Yes, at that time it is my recollection that Mr. Mitchell was at Key Biscayne and that Jeb had a meeting with Mr. Mitchell in Key Biscayne and that is who he was going to see.

Mr. LENZNER. And are there any notations reflecting Mr. Liddy's name on any of those dates in your documents?

Mr. REISNER. OK. I think what you are referring to is, well it says "leave for Key Biscayne" also on the 29th, on the 30th; there are a number of references to Mr. Liddy.

Mr. LENZNER. In the upper left-hand corner of the 30th, what does that reflect?

Mr. REISNER. It says "Get Gordon Liddy."

Mr. LENZNER. What does that represent?

Mr. REISNER. It says, that column I believe would have referred to the fact that I had been asked to get Gordon Liddy. But my best recollection of this is that the reason I was asked to get Gordon Liddy, I was asked to reach him and have him call Mr. Magruder. That is just a vague recollection. It could have come at another time but it makes sense in conjunction with this entry.

Mr. LENZNER. And that entry is in your handwriting; is that correct?

Mr. REISNER. That is correct.

Mr. Magruder was not in Washington at the time as is indicated here also and I think that was the reason for being asked to get Mr. Liddy to call him.

Mr. LENZNER. There is an entry on March 31 in the upper right-hand corner—Mr. Liddy's name.

Mr. REISNER. Gordon Liddy give answer.

Mr. LENZNER. What does that represent?

Mr. REISNER. The nature of this diary is that it is not a diary, the nature of this log, is a recording of activities that are taking place in the office. It is just a random recording of interruptions. It appears from the way in which this appears that Mr. Liddy would have interrupted me and said he needed an answer. I don't know whether this represented a phone call, Mr. Liddy simply stopping by the office. This illustrates the purpose for keeping the log in the first place. There were lots of interruptions like that and a lot of activities and that was the reason for writing it down, just to remember it.

Mr. LENZNER. Now, after Mr. Magruder returned from Florida, did he give you a message or instructions to pass on to Mr. Liddy?

Mr. REISNER. No, I am not certain it was when he returned from Florida. What I remember was on one occasion—the timing of the occasion roughly coincides with this—Mr. Magruder standing in my doorway and telling me to call Mr. Liddy. Now, it was his habit to frequently do that. That was the nature of my job. He would come and give me numerous instructions and I was to pass on approvals, disapprovals, that sort of thing, reactions to decisions or matters that he was handling. He appeared in my doorway and said, "Call Liddy, tell him it is approved or tell him it is approved and that we need to get going in the next 2 weeks." That was a perfectly characteristic thing for him to say because I frequently called other senior members of the committee and told them similar things. I made such a phone call. I related roughly in time to this because I have the feeling that the first week or two in April had something to do with the 2 weeks. That is a very vague recollection. I called Mr. Liddy and his reaction was a little bit different than the reaction of most people that I communicated this kind of decision to and I remember it; he said "But I can't, it is going to be hard," or something like that, and he protested and I indicated to him that he was going to have to talk to Mr. Magruder about it, that I didn't know what I was telling him about, that whatever he had talked about with Mr. Magruder was approved and if it made sense to him then I was glad to pass it on to him. He said he subsequently did talk to Mr. Magruder on a number of occasions. I assume whatever the matter was was resolved.

Mr. LENZNER. I am going to show you now, Mr. Reisner, some documents which have previously been used here and ask you if there came a time in June of 1972 when you observed those documents in the possession of Mr. Magruder.

Mr. REISNER. These documents were shown to me by you and other members of the staff. They seem to me to be similar to documents that I observed. I remember on one—on two occasions seeing something similar to the envelope. I remember seeing something similar to the material—to this letterhead.

I believe I tried to describe this on one earlier occasion and that was when I appeared before the grand jury and was asked about the nature of observing documents similar to this. At that time, I identified documents which are not exactly like this. Upon seeing them on a

subsequent occasion, I think probably these are the documents—I mean, I think that this is the stationery.

Mr. LENZNER. You say the documents you saw at the grand jury are not——

Mr. REISNER. No, no, I have never been shown documents by Mr. Silbert or his staff. He indicated that he might at some future time do that. He, I do not think, has had an opportunity to do that. But at the time, I was asked to try to identify what I saw. And when I did so, I identified it slightly differently than this, but upon seeing this, I think that this is the same document. I am just trying to be accurate on that.

Mr. LENZNER. Now, approximately when did you see these documents and describe the circumstances surrounding your observations?

Mr. REISNER. During the week prior to June 17, and perhaps it was during the 2 weeks prior to June 17—I cannot be certain on exactly the time—I observed documents similar to this here.

Mr. LENZNER. You are referring to the stationery?

Mr. REISNER. I am referring to the stationery with "Gemstone" at the top.

Senator ERVIN. The stationery has already been marked for identification.

Mr. REISNER. It is exhibit 16 for identification.

On that occasion, it was simply in Mr. Magruder's hands or lying on his desk. I am not certain. Subsequently, I was handed the document and I was handed it in such a way that it was indicated to me very clearly that it was not for me to observe, that it was not for my conception.

At the time it was handed to me—that was the second time that I saw it. It was during those 2 weeks prior to the 17th.

Mr. LENZNER. It was Mr. Magruder who handed them to you in his office, is that correct?

Mr. REISNER. Yes, he did.

Mr. LENZNER. Did he hand what appeared to be stationery and the envelope together?

Mr. REISNER. My memory of the envelope is that it was slit open and that the stationery was either in it slit open or on top of it and that they were together.

Mr. LENZNER. What were his instructions? What were you supposed to do with these materials?

Mr. REISNER. At that time, I was doing the activity that I described a few moments ago; I was preparing Mr. Mitchell's files for a meeting with Mr. Mitchell. Now, he was campaign director at this time and it was a daily activity.

Mr. LENZNER. You were told——

Mr. REISNER. I was handed the documents and I was asked to put them in Mr. Mitchell's files. The nature of that is that things that Mr. Magruder might have wished to take up with Mr. Mitchell were put in the file marked "Mr. Mitchell's file," and that is all. That does not indicate any more than that.

Mr. LENZNER. Is it accurate also that you saw these on a third occasion in Mr. Magruder's drawer?

Mr. REISNER. Yes, it is.

Mr. LENZNER. On either of those occasions, were there also photographs with the stationery and the envelope?

Mr. REISNER. There appeared—well, I am not certain whether the photographs were with the stationery on the occasion I described, in which I was handed them and told—I do not know whether I was told or not. I mean, it was clear that it was not for me to be looking at them. I do remember photographs or what appeared to be photographs with the stationery on that third occasion.

Mr. LENZNER. Now, I want to direct your attention to June 17. On the evening of June 17, did you receive a call from Mr. Magruder at home?

Mr. REISNER. Yes, I did. I received a call at approximately 6 o'clock. I was asleep at the time.

Mr. LENZNER. Did he instruct you to go to the office?

Mr. REISNER. Yes. The nature of his instruction was and the conversation, as I remember it, was, Robert, we have some things that we would like you to get from the office and to remove from there. I think the nature of his description was that, we have some sensitive material that we want you to remove from the office.

He then went on and said, and, Bob, there is a file there. It has—Mr. Magruder spoke on this occasion, and I think on other occasions, in a generalized way. I do not remember the complete sentences. It was, Bob, we have some things there. There is a file that has "Gemstone" in it, or, it has some papers called Gemstone in it, do you know what I mean? I said, well, I think so. He said, it is in a blue file. I said, I think I know where it is.

He also said, and there are sensitive things in the office and we would like you to take them out and just keep them over the weekend.

Mr. LENZNER. Did you go down to the office after you received that phone call?

Mr. REISNER. I did.

Mr. LENZNER. And did you go to Mr. Magruder's office?

Mr. REISNER. I did.

Mr. LENZNER. Did you see Mr. Odle there?

Mr. REISNER. Yes, I did. When I went into the office, Mr. Odle was there with a number of other people watching the evening news.

Mr. LENZNER. Did you thereafter have a conversation telephonically with yourself, Mr. Odle, and Mr. Magruder?

Mr. REISNER. Yes, I did. It was after the news was over, or certainly after the portion of the news in which the break-in which had occurred was discussed. The other people left the room and Mr. Odle suggested that we call Mr. Magruder.

Mr. LENZNER. Would you just briefly describe what Mr. Magruder said to you and Mr. Odle?

Mr. REISNER. Yes. I think the purpose of the call and the first discussion in the call was Mr. Odle wanted to describe what we had just seen on the news and what the coverage was at that point. He went on from that and I think discussed in general security matters at the committee. It was my impression that he had previously talked to Mr. Magruder that day about security at the committee.

He then went on and said, now, Jeb, I understand that—I was on the other phone at this point, which was not the one at Mr. Magruder's desk.

He said, Jeb, now, there are these things that you have asked Bob to get out of your office. The reason he knew that was when I walked into the office, I sat down at Mr. Magruder's desk and removed several

things from his desk. I removed a polling file and I removed what appeared to me to be one of the more important things in the file, which was the analysis of the polls. I removed the operating plans which described the key States and our strategy following the phone call. And felt that the activity was perhaps a little bit foolish, to be sitting at his desk removing things. So I stopped.

Subsequently, the phone call took place. At that point, Mr. Odle brought up the fact that there were some things that I had already taken from the desk and he wished to know from Mr. Magruder what else there was that we should remove.

He at that point was volunteering to be of assistance. I think there was some concern at that time for just the security of these documents. The senior campaign officials were in California and I think there was some concern at that moment that they be in control of things.

Mr. LENZNER. Mr. Reisner, could you describe what Mr. Magruder's instructions were?

Mr. REISNER. Mr. Magruder's instructions then became very specific concerning a blue file folder. I knew what he was talking about at that point. I think it was at that point that I knew specifically what he was talking about. He indicated that that was one of the things that had to be removed.

Mr. LENZNER. Did he say on the phone the word "Gemstone" on that occasion?

Mr. REISNER. It is not my specific recollection that he did. He could have. He definitely identified specifically a file folder. It seems to me he said it in the first phone conversation. He may or may not have in the second phone conversation.

Mr. LENZNER. Did you later take the blue folder?

Mr. REISNER. Yes. At that point, I didn't know where the folder was and I think I indicated that to him. But I said that I knew where it was, that I could find it.

At that point, Mr. Odle was volunteering to be of assistance and Mr. Magruder changed his instruction and indicated to me that Mr. Odle should take home that and he then generalized it and said, and other, you know, contender materials, or other strategy materials, or something to that effect.

Mr. Odle then—the conversation terminated shortly after that. Mr. Odle left and I was left the task of finding it, which I did.

Mr. LENZNER. You found it, and what did you do with it?

Mr. REISNER. I believe what I did with it was I combined it with some other materials, the other materials concerning contender. I put those materials in Mr. Odle's office, in his briefcase, and I locked his briefcase.

Mr. Odle had at that point gone down to the third floor and I went down there to indicate to him that these things were in his briefcase.

Mr. LENZNER. One last question. You were subpenaed by this committee on or about March 30 of this year, is that correct?

Mr. REISNER. That is correct.

Mr. LENZNER. Prior to that time had you been interviewed by either the U.S. attorney or the FBI?

Mr. REISNER. No, and I had not been interviewed by anyone—the Democratic National Committee in their civil suit, the FBI, or the U.S. attorney.

Mr. LENZNER. For the record, can we have this envelope marked for identification? In capital letters are indicated "Sensitive material." In smaller letters "Handle as codeword material." In the lower left-hand corner, the words "Ex Dis", and after that, "No Disem", d-i-s-e-m.

Senator ERVIN. The reporter will mark the envelope as an exhibit.

[The document referred to was marked exhibit No. 18.*]

Mr. LENZNER. The Gemstone stationery which has a blue border around it with letterhead "Gemstone" in capital letters and "date" and "source", has already been entered as exhibit No. 16 at this morning's hearing. The other piece of stationery with the same printing, except in the lower left-hand corner, it says "Ex Dis", "No Disem". At the bottom, it says "Warning, this information is for intelligence purposes only. Exploitation may compromise source and terminate flow of information." This piece of stationery was entered as exhibit No. 2, in the hearing of May 17.

Mr. LENZNER. That is all the questions I have, Mr. Chairman.

Senator ERVIN. Mr. Thompson.

Mr. THOMPSON. Mr. Reisner, when did you first become aware of the fact that Mr. Liddy was engaged in intelligence-gathering activity?

Mr. REISNER. I think probably there was a general awareness on my part that he was obtaining information about the time that he came to the committee. At the time of the introduction I described, when it was made known to me that Mr. Liddy had not wished to be described that way, I think I assumed an awareness at that point.

Mr. THOMPSON. That was in December of 1971?

Mr. REISNER. That is correct, yes, sir.

Mr. THOMPSON. When he was described as a "supersleuth" or "superspy" or something like that?

Mr. REISNER. It was a joking reference.

Mr. THOMPSON. It turned out to be incorrect, too, didn't it?

Mr. REISNER. It turned out to be incorrect.

Mr. THOMPSON. Was there any discussion back and forth among the other people who were in that particular meeting as to exactly what Mr. Liddy was or exactly what——

Mr. REISNER. I don't remember any discussion. It came as a surprise to me that Mr. Liddy was concerned about having been referred to in that manner.

Mr. THOMPSON. What did you think about Mr. Liddy personally? What was your evaluation of him as to his ability or the kind of man that he was, considering the important position that he had?

Mr. REISNER. I have discussed this with your staff. I think that my impression of Mr. Liddy was that he may have been a very capable legal general counsel, but that he also occasionally did some fairly bizarre things. He gave——

Mr. THOMPSON. We know of one. For example?

Mr. REISNER. He gave a secretary in our office a large poster of himself——[Laughter.]

Mr. THOMPSON. I don't know if you should pursue that any further.

Mr. REISNER [continuing]. Probably 6 feet by 4 feet in size.

Mr. THOMPSON. Larger than life size, wasn't it?

Mr. REISNER. Larger than life size.

Mr. THOMPSON. What kind of picture was it?

*See p. 890.

Mr. REISNER. I believe it was a picture of himself with a bull horn and it may have had—he may have had a gun in his hand, conducting a raid of some kind. He was in front of a police car.

There was another poster, as a matter of fact, I think of him—I have the impression of him next to an airplane or something like that. He was occasionally bizarre.

The other thing is that his relationship with my superior at that time, Mr. Magruder, was less than friendly on all occasions and I think that from that, I had an impression of him that he was certainly not an easy employee to have around. I think I indicated that to Mr. Magruder on one occasion and he agreed.

Mr. THOMPSON. Did Mr. Liddy seem to have any particular friends? You mentioned in other testimony that he had trouble with Mr. Magruder, personal differences.

Mr. REISNER. I am not certain. I think the reason for the trouble with Mr. Magruder was that it may have been that he did not like to work for a younger man. I can remember on one occasion, after he had gone to work for the finance division, just seeing him in the hallway or something, and saying to him, how are you doing? And he went into a long explanation of his great respect for Mr. Stans and for Mr. Stans as a manager and that sort of thing.

I think that he may very well have had a number of friends at the committee. I did not know Mr. Liddy very well at all. I saw him around. He seemed to be friendly with people at the committee.

Mr. THOMPSON. Were you aware of any sums of cash that Mr. Liddy was receiving for his activities?

Mr. REISNER. No, I am not. I was aware in one sense. I was aware that Mr. Porter had some cash in his possession that was contained in a safe in his office and that he indicated to me that he had made disbursements to Mr. Liddy.

Mr. THOMPSON. What do you know about the cash that Porter kept in his office?

First of all, again, who was Porter and what was his position?

Mr. REISNER. Mr. Porter, who was the director of scheduling of surrogate activity in the committee, had a safe in his office in which he kept the petty cash for the committee. Prior to April 7, Mr. Porter came to me and asked me to assist him in just totaling up the disbursements and receipts related to that safe.

Since I was—the purpose of my doing that was to be able to report to my boss, Mr. Magruder, for whom Mr. Porter also worked, that there was not any pocketing of cash or anything like that, that there was an accounting, I mean that there was a system. And I did that.

Mr. THOMPSON. Did you assist him in totaling the cash?

Mr. REISNER. I did and it was on that occasion that I learned Mr. Liddy was receiving some sums of cash from Mr. Porter.

Mr. THOMPSON. Were there also receipts there for cash that had been disbursed?

Mr. REISNER. There weren't exactly receipts. There were white slips of paper on which the initials of people to whom Mr. Porter had given cash were recorded and Mr. Liddy made a mark on those white slips of paper.

Mr. THOMPSON. What was the total amount, if you recall, of the cash that had been disbursed plus the receipts?

Mr. REISNER. The total amount, when you added up the amount Mr. Porter had received, seemed to be in the range of $40,000 to $50,000. But that was——

Mr. THOMPSON. Is that what the committee referred to as petty cash at that time?

Mr. REISNER. I referred to it as petty cash until I had assisted Mr. Porter in the activity.

Mr. THOMPSON. And realized it was greater than you thought.

Mr. REISNER. I am sorry?

Mr. THOMPSON. And you realized that the money he had was more than you thought?

Mr. REISNER. With this exception: It was not petty cash in the sense that there were $7,000 or $8,000 on hand, which is certainly not petty cash. The $40,000 to $50,000 that I am referring to was sums that had accrued from the beginning of the time that there were receipts—July or June of 1971 until March.

Mr. THOMPSON. How much cash was in the safe?

Mr. REISNER. How much cash at that time? It seems to me it was in the neighborhood of several thousand dollars—perhaps as much as five or six.

Mr. THOMPSON. Did the receipts—do you recall any names of, or any amounts to individuals who were receiving money from Mr. Porter's safe?

Mr. REISNER. Well, I can remember that there were, in addition to Mr. Liddy—now, Mr. Liddy was—it was Mr. Porter that indicated to me that Mr. Liddy was receiving money. There was an individual who was referred to by a code name and that code name was "Sedan Chair" and that that individual was——

Mr. THOMPSON. Sedan Chair? Two words?

Mr. REISNER. Yes. I believe it was actually "Sedan Chair 2."

Mr. THOMPSON. Was there a Sedan Chair 1?

Mr. REISNER. I do not know. I do not know. Perhaps there was.

There was also an individual who worked for Mr. Porter named Roger Stone, who I believe received money. And there may have been other individuals.

But to my recollection, which is a little bit vague on this, there was not a regular disbursement, with those exceptions.

Mr. THOMPSON. Who was Sedan Chair?

Mr. REISNER. I do not know. I know that—well, I mean, I have sort of a general circumstantial understanding of who I think Sedan Chair was.

Mr. THOMPSON. Tell us about it.

Mr. REISNER. I will come as close as I can.

Mr. THOMPSON. Tell us about it.

Mr. REISNER. Subsequent to that, after I learned that there was such an individual, I think I was more alert to the name and I did see a memo in April, I believe, or perhaps May, that purported to be a report from another campaign committee. I believe it was the Humphrey committee. I do not know for a fact who Sedan Chair was. It could have been someone who just simply had his disagreement with the Humphrey committee and wished to report on some of their activities.

Mr. THOMPSON. It was someone in the Humphrey committee, from what you can tell?

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Mr. REISNER. From what I can tell, I mean it purported to be.

Mr. THOMPSON. How much money was this individual receiving?

Mr. REISNER. My recollection is that it was approximately a thousand dollars a month, but I could have read that in the newspaper, frankly, it is vague.

Mr. THOMPSON. What about Mr. Liddy?

Mr. REISNER. Mr. Liddy received several disbursements that were considerably larger than that. I think they were in the nature of $5,000 to $8,000, I am not certain. The reason I remember them is that there were—he would return sums of money and it made the accounting somewhat bizarre. He would return $300 after taking out $8,000, that sort of thing. I really am not completely clear on that.

Mr. THOMPSON. Was there any indication as to the total amount Liddy had received to that time?

Mr. REISNER. No, there wasn't. I have the feeling that the total magnitude, $40,000 to $50,000, means that, and that is the total magnitude of what was recorded. I have no idea. Mr. Porter, I do not think, would have hidden any of what he was recording but I only saw what the receipts were there and Mr. Liddy's total figure I would think would be in the nature of half of that.

Mr. THOMPSON. Did you state when this inventory took place?

Mr. REISNER. In March, later March. I could not pin it down exactly but it was late March.

Mr. THOMPSON. Concerning the money in Mr. Porter's safe, could you tell either from anything that you saw there in the nature of receipts, from conversations with Mr. Porter, from conversations with anybody else about any other operations or individuals who were being funded, who had been paid money out of the safe of Mr. Porter?

Mr. REISNER. Anything else would be by the nature of a supposition. There is nothing else that——

Mr. THOMPSON. Do you know?

Mr. REISNER. It is hard.

Mr. THOMPSON. Or do you know or have any basis for believing that any demonstrations or counter demonstrations were funded?

Mr. REISNER. Yes, there was one occasion in April in which I overheard a conversation. The nature of my job was such that there are pieces of these things that were overheard that after subsequent events they perhaps take some meaning. I was sitting in Mr. Magruder's office at the time he received a phone call. The phone call concerned the fact that there was a desire to get some counter demonstrators or demonstrators to attend the Hoover funeral, that there was some sort of planned demonstration. It seems to me that that was an activity that Mr. Liddy was then asked to undertake and it seems to me there was some cash in that activity.

Mr. THOMPSON. Magruder asked Liddy to take care of this?

Mr. REISNER. When I say this I say this in an effort to be cooperative because I am talking about only my specific recollection. It may be that that wasn't carried out or that it was carried out differently from the way in which I heard the conversation and I think only Mr. Porter could be of assistance there. That was the nature of the initial conversation.

Mr. THOMPSON. Did you have occasion to overhear a conversation between Mr. Magruder and Mr. Porter concerning a possible front for some of Mr. Porter's activities?

Mr. REISNER. Yes, I did.

Mr. THOMPSON. Could you tell us about that?

Mr. REISNER. That was earlier. That was either in January or February or perhaps in December and it was, again it was the same, the nature of the conversation was identical. It was the beginning of discussion that did not take place with me present. And in the beginning of that discussion Mr. Magruder indicated to Mr. Porter that Mr. Kalmbach had agreed to find a job for someone who was going to work for Mr. Porter. That was the nature of the conversation.

Mr. THOMPSON. Did he state what kind of work?

Mr. REISNER. The idea was there was a business concern who was was going to employ an individual who would work for Mr. Porter. That was the limit of the conversation that I heard. I think inferentially and from the circumstance under which the conversation took place it was my feeling that that was by way of a front activity, but as to whether it was in fact, as to whether it was carried out, as to whether Mr. Kalmbach was of assistance, I can't help with that.

Mr. THOMPSON. What did you think Porter was doing?

Mr. REISNER. I am not certain. I think perhaps what he was doing was obtaining information; that there was possibly people that were working for him who were perhaps disgruntled with other campaigns or perhaps just individuals who wanted to be involved in politics and who wanted to obtain information and pass it on to our campaign. That was as close as I could come.

Mr. THOMPSON. You never asked him?

Mr. REISNER. There were one or two occasions on which I was present in the office and I was shown something. For example, one time I was shown a Xerox copy of what purported to be minutes of an issues group that Senator Muskie had. I do not know whether those in fact were minutes of any real issues group.

Mr. THOMPSON. Who showed you that?

Mr. REISNER. I believe Mr. Porter was giving it to Mr. Magruder. It wasn't by way of showing it to me.

Mr. THOMPSON. You do not know how he obtained that?

Mr. REISNER. No, I do not have any idea. It could easy have been—it was someone working for Senator Muskie who had decided that they wished to do that. It could also—you can make other assumptions that were more negative concerning——

Mr. THOMPSON. When did you first become aware that the Gemstone file had to do with surveillance activity of some kind?

Mr. REISNER. I am not certain. I do not think that I am necessarily aware at this time what, I think that when I lock it in with Mrs. Harmony's testimony and with other witnesses, it seems to me that I have a pretty good idea of what it was.

Mr. THOMPSON. On the Monday following the break-in at the Democratic National Committee, the Watergate, did you not shred a file yourself?

Mr. REISNER. Yes, I did. The nature of that was, I think just to understand why the idea of shredding a file would go through my mind, I think you have to go into the nature of why files were shredded.

There was a tremendous amount of paper in our committee. Part of my responsibility, giving Mr. Mitchell papers, documents, was to make five copies of each document that went to the campaign director.

Senator ERVIN. I regret to say there is a signal for a vote in the Senate. We will come back as quickly as we can.

[Recess.]

Senator ERVIN. The committee will come to order.

I do not know whether Mr. Thompson finished his examination or not.

Mr. THOMPSON. Mr. Chairman, I just have one other question. I have already exceeded my time and I apologize, but I do have one question.

If I remember Mrs. Harmony's testimony correctly, she referred to a belief, I believe, that there were possible plants inside the Committee To Re-Elect. Do you have any knowledge or belief, was there any opinion as to that fact?

Mr. REISNER. No, I did not. I know that there was a great deal of effort expended on finding such plants and we never found any.

Mr. THOMPSON. Why was there a belief that there were such plants?

Mr. REISNER. There were a number of occasions on which articles appeared in the newspaper in a way I think would have lent to great suspicion that there was material being fed out of our committee into the newspapers or possibly to other candidates. There was such a wire story the week prior to June 17, according to my best recollection, and there were such occasions. Mr. Anderson, Jack Anderson, on several occasions had information that seemed that could only have come from inside of our committee.

Mr. THOMPSON. Printing of internal committee documents?

Mr. REISNER. I do not believe there were any documents themselves but I do——

Mr. THOMPSON. References to what? Memorandums, letters?

Mr. REISNER. To information and to activity and that sort of thing which was going on in our committee which I think could only have gotten into the newspaper if someone had fed it out of our committee. It was just a feeling.

Mr. THOMPSON. Thank you.

That is all, Mr. Chairman.

Senator ERVIN. You stated that you kept some sort of a log.

Mr. REISNER. Exactly what was the log?

Senator ERVIN. Yes.

Mr. REISNER. My log was a sort of a daily report of activity that was going on. I would be interrupted frequently and I might make a notation someone had come to me.

Senator ERVIN. As I understand, you reported that your log shows prior to February 4, that there was a meeting at the White House attended by Magruder, Liddy, and Dean.

Mr. REISNER. Yes, sir.

Senator ERVIN. Is that correct?

Mr. REISNER. Yes, sir.

Senator ERVIN. And then, your log shows that on February 4, there was a meeting of Liddy, John Mitchell, Jeb Stuart Magruder, and John W. Dean III?

Mr. REISNER. Yes; in the other notebook that was kept by Vicki Chern, Mr. Dean's name appears. It does not appear in mine.

Senator ERVIN. Where did this meeting of February 4 take place?

Mr. REISNER. Where was their disagreement?

Senator ERVIN. Where did it take place?

Mr. REISNER. That meeting would have taken place in Mr. Mitchell's office at the Justice Department.

Senator ERVIN. At the Justice Department?

Mr. REISNER. Yes, sir.

Senator ERVIN. Then——

Mr. REISNER. I believe.

Senator ERVIN. You stated that in March that Mr. Magruder went to Key Biscayne in Florida for the purpose of meeting with Mr. Mitchell?

Mr. REISNER. Yes, sir.

Senator ERVIN. And it was after he came back from Key Biscayne that Mr. Magruder told you to call Liddy and tell Liddy that it was arranged?

Mr. REISNER. Mr. Chairman, to be precise, my recollection is that on one occasion I was asked to call Mr. Liddy and to make such a statement. My recollection is that it was, could have occurred shortly after that trip because the time seems correct. I cannot be absolutely certain.

Senator ERVIN. To whom did Magruder report at the Committee To Re-Elect the President?

Mr. REISNER. Mr. Magruder worked for Mr. Mitchell.

Senator ERVIN. Did Mr. Magruder send many memorandums to Mr. Mitchell?

Mr. REISNER. Yes, sir; he did. And also memorandums that would have been prepared by senior staff members at the committee would have been sent through Mr. Magruder to Mr. Mitchell.

Senator ERVIN. Now, how frequently did Mr. Magruder send memorandums to Mr. Mitchell?

Mr. REISNER. Mr. Magruder would have been unlikely to have met with Mr. Mitchell if he did not have some matters worthy of Mr. Mitchell's attention. He met with Mr. Mitchell virtually every day when Mr. Mitchell was campaign director and every day, therefore, would probably have had memorandums.

Senator ERVIN. And I understand from your testimony that Mr. Magruder had a file called the Mitchell file in which he placed documents which related to matters he wished to discuss with Mr. Mitchell?

Mr. REISNER. Yes, sir.

Senator ERVIN. According to your best recollection, the file contained some Gemstone reports and was in those file papers on one occasion?

Mr. REISNER. Yes, sir.

Senator ERVIN. Now, you spoke about the time Mr. Odle took out the blue file.

Mr. REISNER. Yes.

Senator Ervin. Which I understand contained Gemstone information and other information.

Mr. REISNER. Yes, sir.

Senator ERVIN. Was this the kind of a file the Gemstone file was in?

Mr. REISNER. It was, I believe, if that has my initials on it, it is the file that I gave to your staff in order to——

Senator ERVIN. It has your initials on it and dated 5/21/73.

Mr. REISNER. Yes, sir; I gave it to your staff to indicate the kind of file it was.

Senator ERVIN. Let that be marked appropriately as an exhibit and received in evidence as such.

[The file referred to was marked exhibit No. 19.*]

Senator ERVIN. Did anyone else receive copies of memos that Mr. Magruder sent to Mr. Mitchell?

Mr. REISNER. Yes, sir; each document to Mr. Mitchell went through me, would have been a formal document to Mr. Mitchell, a duplicate copy was sent to Mr. Haldeman's office.

Senator ERVIN. Mr. Haldeman was Chief of Staff in the White House?

Mr. REISNER. That is correct. In fairness to the nature of what we were doing there, we were working for the President who was the candidate and, therefore, we were providing him the opportunity, if he wished, or if Mr. Haldeman wished to see any documents that were taking place in his campaign.

Senator ERVIN. Do you know whether anyone on the Committee To Re-Elect the President ever received any communications from Mr. Haldeman?

Mr. REISNER. Yes, sir; I would imagine that a number of people—well—to be precise—Mr. Haldeman had working for him a man named Mr. Gordon Strachan. It was my impression that Mr. Strachan communicated frequently with many members in the committee. Mr. Haldeman himself may have communicated directly with other senior staff members. I do not imagine that it was frequent.

Senator ERVIN. Would it be proper to describe Mr. Strachan's activities as something in the nature of liaison between the Committee To Re-Elect the President and Mr. Haldeman?

Mr. REISNER. Yes, sir.

Senator ERVIN. Have you had any conversation with Mr. Magruder since June 17?

Mr. REISNER. Yes, sir; I have on a number of occasions. You mean conservations related to the concerns of your committee?

Senator ERVIN. Yes.

Mr. REISNER. I have subsequent to June 17, there took place a conversation in which I asked Mr. Magruder about some of the things which I have described previously. I think I asked him by way of raising some suspicion, just what was going on, and I think I asked him on that occasion what Gemstone was, because I did not know what Gemstone was, and he indicated to me that he did not know what Gemstone was either.

Now, at that time I was asking him are we involved in this thing, are we connected to this thing, because it looks a little suspicious, and he indicated to me that we were not.

There was another conversation in which Mr. Magruder, I had volunteered to be helpful to another member of the committee and it would have, I think, involved me getting involved in subsequent activities, and he indicated to me that I should not.

*The document is not printed in the record, but is retained in the files of the committee.

Senator ERVIN. Now, in your conversation with Mr. Magruder in which you asked Mr. Magruder what the Gemstone file meant or was—did that occur after he had called from California and asked that it be removed from the committee headquarters over the weekend?

Mr. REISNER. Yes, sir; the conversation I am describing took place in his office. I think he may have initiated it by calling me into his office and saying you know, how are things going or something like that.

Senator ERVIN. After that he told you he did not know what the Gemstone file was?

Mr. REISNER. That is correct.

Senator ERVIN. He told you and Mr. Odle the night when he called from California that it was very sensitive, did he not?

Mr. REISNER. Yes, he did.

Senator ERVIN. Please remove it from the office over the weekend?

Mr. REISNER. Yes, he did.

Senator ERVIN. How many times did Mr. Magruder meet with John Mitchell before John Mitchell became the campaign director?

Mr. REISNER. Prior to March 1, I can only speak of the times between November and March when I knew Mr. Magruder. He met with him several times a week, I would say, on the average. That is indicated in the notebook that I have described and Vicki Chern kept.

Senator ERVIN. And that was while Mr. Mitchell was still Attorney General and had offices in the Justice Department?

Mr. REISNER. Yes, sir; he went down to meet Mr. Mitchell, that is right.

Senator ERVIN. Now, how many times did Mr. Magruder meet with Mr. Mitchell after Mr. Mitchell resigned, ceased to be Attorney General and took up offices in the headquarters of the Committee To Re-Elect the President?

Mr. REISNER. I would say Mr. Magruder perhaps early in March, when Mr. Mitchell also was concerned with the hearings concerning ITT, it may not have had this frequency, but certainly with the exception of those days it was my impression that Mr. Magruder met with Mr. Mitchell every day.

Senator ERVIN. When was your first conversation with Mr. Magruder on June 19, 1972?

Mr. REISNER. On June 19, 1972? That was on the Monday morning when Mr. Magruder returned from California. I believe I just saw him when he came in and did not have an opportunity to talk to him.

Senator ERVIN. Did Mr. Magruder have meetings from time to time with members of the White House staff?

Mr. REISNER. Yes, sir.

Senator ERVIN. How frequently?

Mr. REISNER. I would say that, I would say that he met with different members of the White House staff who were concerned with different aspects of the campaign practically every day, certainly as the campaign heated up and became more active he did, but that could have, that would have to be verified in the calendar, I cannot speak precisely.

Senator ERVIN. Where did the meetings take place?

Mr. REISNER. It depended on the individual. If it was a senior member of the White House staff I would say that it probably took

place at the White House or in the Executive Office Building. If it was a member, more junior member of the staff, it probably took place in our office.

Senator ERVIN. What senior members of the White House staff would Mr. Magruder meet with at the White House?

Mr. REISNER. Here, to be precise, he did not meet that frequently. He probably talked on the phone more with senior members of the White House staff. I think that he met with virtually all of the senior members of the White House staff that were concerned with either political activities of one kind or another or the campaign.

Senator ERVIN. And who would those senior members be?

Mr. REISNER. That would have been Mr. Colson, Mr. Dent, Mr. Ehrlichman, perhaps later, after the campaign got going and the platform was important, Mr. Haldeman, perhaps. All of these men, of course, were extremely busy. When Mr. Magruder went over there I was not certain whether in fact he had been able to see them or not. There were others.

Senator ERVIN. Which members of the White House staff came down to the committee headquarters of the Committee To Re-Elect the President to see Mr. Magruder?

Mr. REISNER. It would have depended upon the subject of the meeting. If the meeting concerned something that one of them was directly involved in—Mr. Timmons was the man who oversaw the convention. He would have come probably to the committee offices and met with Mr. Magruder and other people concerned with the convention. I would say that the more senior the member of the White House staff the less likely he would have had time to come to the committee and, therefore, they would have come less frequently.

Senator ERVIN. Did Mr. Dean ever come to the Committee To Re-Elect the President and consult Mr. Magruder?

Mr. REISNER. Yes, he did, and he did not come that frequently, he came on several occasions that I saw him there.

Senator ERVIN. Did you receive any instructions from Magruder about the shredding of documents after June 17, 1972?

Mr. REISNER. Well, yes, sir. I received instructions that related to documents that were later destroyed. What I received were instructions to look through the files and to try to centralize documents that were sensitive politically. The purpose—the instruction was not, go find political things and shred them, the instruction was "Go find the sensitive political documents that we have in our files and bring them to me." And that is what I did. Some of these were subsequently destroyed, because they appeared in his outbox and were marked "destroy" and others I didn't see again.

Senator ERVIN. What was the general nature of them?

Mr. REISNER. Virtually anything—well, I think Mr. Magruder's secretary and I looked through his own files. I think other people on the committee did similar things and virtually anything that concerned the opposition, contenders, that sort of thing, that would have been awkward or politically damaging to—well, no, even broader than that. Anything that would have concerned the opposition.

Senator ERVIN. As I understand one of the files that you gave to Mr. Odle at the time that Mr. Magruder called from California was a file relating to the seven opposing contenders?

Mr. REISNER. I believe it was, yes, sir.

Senator ERVIN. In other words, that was done on candidates for the Democratic nomination?

Mr. REISNER. To be specific, I gave Mr. Odle two files, one that was contained inside another. One file was the file that has become known as the Gemstone file and I don't know what the contents were. I know from reading the newspaper now what I presume them to be.

The other file was a file concerned—it was called "attack" or "attack strategy." That concerned materials, that contained materials concerning the opposition, but I am not certain of exactly what was there on the 17th.

Senator ERVIN. Did you receive any documents from Mr. Liddy on June 16, 1972?

Mr. REISNER. Yes, I did.

Senator ERVIN. What were they?

Mr. REISNER. I received an envelope that I believe was similar to the one I identified as saying sensitive material on it. Mr. Liddy at that time gave me this envelope, which was sealed and said to me, "Here is an extra" or something like that; Magruder wanted a copy, Magruder wanted an extra. That is the document that I received.

Senator ERVIN. And you gave that to Mr. Magruder?

Mr. REISNER. No, I didn't.

Senator ERVIN. What became of it?

Mr. REISNER. Here is what happened to it. I put it in my drawer and that clearly would have fallen in the category, I presume, of documents similar to the one I have called the Gemstone file. The reason it would have is that it came in a similar envelope and Liddy had called it a copy.

On Monday morning, I discovered that I had not given that to Mr. Magruder—I mean to Mr. Odle—as I had been instructed to do. It was a copy, I presumed, of the material I had given to Mr. Odle and it was not with it. In fact, I guess I hadn't done what I was asked to do, to get that sensitive material out of the office.

At that point, I did not know Mr. Magruder was going to return that Monday morning; it turns out he was already in Washington. And thinking that it was a copy and sensitive material that should have been gotten out of the office, I destroyed it.

Shortly thereafter, Mr. Magruder came into the office and I realized I could have turned it over to him, so I realized it was a mistake on my part. I am sure he is learning for the first time about this.

Senator ERVIN. That was destroyed by shredding?

Mr. REISNER. Yes, sir.

Senator ERVIN. And that happened on June 18?

Mr. REISNER. Yes, sir.

Senator ERVIN. When were you first interviewed by the prosecuting attorney, Mr. Silbert?

Mr. REISNER. I met Mr. Silbert for the first time on April 8 of this year.

Senator ERVIN. And did you make a statement to him, substantially what you have made to the committee today?

Mr. REISNER. Yes, sir. It was not on April 8 that I made this statement. As a matter of fact, I had completely forgotten that action. You are speaking of the shredding of that document or the Gemstone?

Senator ERVIN. Just generally speaking.

Mr. REISNER. Generally speaking, shredding that document, I remembered for the first time when I read that Mr. Gray had shredded a document and I simply realized that there was a similarity there.

Senator ERVIN. When were you subpenaed to go before the grand jury?

Mr. REISNER. On April 8. It was at a subsequent meeting with Mr. Silbert that I described that document to him. It was in a previous appearance before the grand jury that I described virtually all that I have described here today.

Senator ERVIN. Did you talk to Mr. Silbert before you talked to this committee staff?

Mr. REISNER. Yes, sir.

Senator ERVIN. Were you subpenaed before the grand jury before you talked to the staff of this committee?

Mr. REISNER. To be precise, on March 30, your staff subpenaed me, which was the first time I had heard from an investigatory body. I met with two of your investigators on that Friday. The subpena was canceled. I believe, Mr. Chairman, you were out of town and returned and the nature of the proceeding changed.

Subsequently, I was subpenaed by the grand jury and appeared there.

Senator ERVIN. Now, did you receive a phone call or any communication from Mr. Magruder after you were subpenaed to go before the grand jury or before our committee?

Mr. REISNER. Yes, sir; on that Friday, which was, I believe, March 30. Actually, it was in the newspaper before I knew what was going to happen. I read in the newspaper that morning that I was to be subpenaed.

Senator ERVIN. What did Mr. Magruder ask you to do?

Mr. REISNER. He asked me to get together with him. He called me at home and asked me to get together with him that morning. He asked me whether he could take me to work. I indicated that I didn't think that was appropriate, because I presumed that the reason I was being subpenaed before this committee was to discuss Mr. Magruder; therefore, I didn't think it was appropriate for us to meet.

He then called me again that morning to urge a meeting. I suggested there should be a third person there. We set a meeting. Then I chose not to attend the meeting. I wanted to be firm about not meeting with him.

Senator ERVIN. Did he say anything to you in either of those conversations about meeting with a Paul O'Brien?

Mr. REISNER. Yes, sir; the nature of that was this, as I understand it. I indicated to him that if we were going to meet, there should be a third person there.

He said, well, we will have to find someone. How about if we find either Paul O'Brien or Ken Parkinson, who were counsel to the committee?

I said that that would be acceptable, but subsequently called Mr. O'Brien at 11 o'clock that morning and said that I didn't think it was appropriate to get together with the man about whom I was going to be asked to testify. Mr. O'Brien agreed with that and said that he understood completely and there was no problem.

Senator ERVIN. Did Mr. O'Brien give you advice about or make an offer of help to you?

Mr. REISNER. Mr. O'Brien?

Senator ERVIN. Yes.

Mr. REISNER. Well, yes, sir, he was counsel to the committee, and I think he said, "I will be glad to help you, Bob," but, he said, "I think you will have to realize that if you have independent counsel or someone who is independent who can give you advice, that may be your best situation. After all, I have to represent the committee as well."

Senator ERVIN. What was Magruder's reaction when you told him that——

Mr. REISNER. I didn't want to come to the meeting?

Senator ERVIN [continuing]. That you didn't want to meet him.

Mr. REISNER. He called Mr. O'Brien's office expecting me to be there and found out I wasn't going to attend. His response was extremely agitated. He felt he wanted to know what I thought I was doing.

He also indicated to me that—I had said to Mr. O'Brien I didn't think there was very much I could provide that would be helpful to this committee and Mr. O'Brien had apparently—we just discussed briefly the nature of the evidence I could provide and Mr. Magruder—one of the pieces of evidence, of course, was the easel. We mentioned that and I think Mr. Magruder stated that he didn't—he said there was no easel. He said, I don't see how you can remember that.

Senator ERVIN. Now, he called you at your home, didn't he, and talked about that?

Mr. REISNER. Yes, sir.

Senator ERVIN. That was the third telephone call he made to you that day?

Mr. REISNER. Yes, sir.

Senator ERVIN. I would like you to explain the conversation. What did you tell him outside of the easel and what did he tell you?

Mr. REISNER. What did he tell me?

Senator ERVIN. Yes.

Mr. REISNER. He also indicated to me—well, the nature of the conversation was one in which he was saying to me, you know, what are you doing? There was no easel.

Then he said, I can't understand this. He said, you know, are you not going to be cooperative? Are you not going—everyone else has been cooperative, or something to that effect.

Now, in fairness to Mr. Magruder here, because I think it is bordering on a very serious point that I have discussed with your staff, there was a fourth phone call on that day. He, I think, knew that he didn't wish to—that I didn't want to meet with him. He called my home and had my wife call me and ask me to call him that evening.

Now, in that evening phone call, the entire nature of the phone call was different. I think he said that he was upset, that he was sorry if he was overly anxious. He said he just wanted me to realize that there were some extremely serious matters concerned here and that I should treat them in that way.

I said I intended to treat them in that way.

Senator ERVIN. Did he tell you at that time that you should be careful about what you said because people's lives and futures were at stake?

Mr. REISNER. Yes, he did. That was in that second phone call, and that was by way of explaining to me why he was so concerned.

Senator ERVIN. Just for my edification, I wish you would explain about the easel story, because I don't quite understand.

Mr. REISNER. Yes, sir. I think the nature of the easel story is just that Mr. Liddy came to me indicating that he was going to have a meeting with Mr. Mitchell and that he wished to have some sort of a prop to use, on which to use visual aids. I indicated to him I would try to look for such a prop.

I had, I think, one of the secretaries call Mr. Mitchell's office and see whether there was such a prop. I don't think there was.

Senator ERVIN. In other words, Mr. Liddy told you he was going to meet with Mr. Mitchell.

Mr. REISNER. Yes, sir.

Senator ERVIN. And he asked you if you could get him an easel on which he could display charts for Mr. Mitchell's——

Mr. REISNER. He did not say to display charts, but I presumed that is what it was.

Senator ERVIN. Senator Baker.

Senator BAKER. Mr. Chairman, thank you very much. If there is no objection by you and the committee, I would like to yield now to Senator Weicker to examine the witness.

Senator WEICKER. Thank you, Mr. Chairman.

Mr. Reisner, I would like to go back to the evening of June 17, because as I understand your testimony, and if I also understand testimony that has been given before this committee, there seems to be some discrepancy as to what occurred.

Now, just let me try to go over the sequence of events that transpired with the phone call to Mr. Magruder the evening of the 17th from Mr. Magruder's office.

Was Mr. Odle on the phone when you spoke to Mr. Magruder?

Mr. REISNER. Yes.

Senator WEICKER. During the entire time?

Mr. REISNER. It is my belief that he was on the phone during the entire time. As I remember the phone call, he initiated it.

Senator WEICKER. Now, may I stop you? Mr. Odle initiated the phone call?

Mr. REISNER. Yes, sir.

Senator WEICKER. Why would he have initiated it?

Mr. REISNER. He, I think, came into the room and said, what is the—are you doing here?

I said, Jeb called me and asked me to come down here.

He then said something to the effect—well, he said—I said that the reason I was down there was to remove some sensitive things from the file and that that is what Jeb wanted me to do.

He said, do you know exactly what he wants?

I said, no, not really.

He said, I think we ought to tell him about the news, or something to that effect. So he called Mr. Magruder.

When he placed that call, Senator, I had the impression that he had made several calls that day and that he was just staying in touch again.

Senator WEICKER. And the call having been placed to Mr. Magruder, was it then Mr. Odle that led off the inquiry, or were you the first one to speak to Mr. Magruder, and was the nature of the question as to what was meant by sensitive material?

Mr. REISNER. As I recollect the thing, and you know, it is a little bit—this is my best recollection. Mr. Odle began the conversation by describing the evening news and what had been shown on the evening news that day.

The second thing that he discussed, I think, was security. It seems to me that he must have said something like he had in fact doubled the guard and everything was OK. But he said, now, Bob tells me that there are some things you want to get out of the office, or, you know, that there are some things here that you want to have us take home; can I help, or something to that effect.

He said, what is it that you want? And that was where Mr. Magruder, I think, began describing precisely what it was that he wanted.

Senator WEICKER [now presiding]. And did Mr. Magruder describe precisely what it was that was to be removed from his desk?

Mr. REISNER. OK, now, as to whether Mr. Magruder used the word "Gemstone" to describe exactly what it was he wanted removed, I do not know. It is my initial recollection that he probably did, because it is during that second phone call that I came to know exactly that that file should be removed, among other things. He may not have. I just do not know the answer to that.

Senator WEICKER. Did Mr. Odle assist in the removal of material from Mr. Magruder's desk?

Mr. REISNER. No, sir; it was left to me to determine which materials it was that Mr. Magruder had described to me in that phone call.

Senator WEICKER. Now, the materials that were removed from Mr. Magruder's office by you and Mr. Odle—Mr. Odle said that he returned the file on Monday morning. Would that be correct?

Mr. REISNER. Yes, he did—I read his testimony. I believe that he did say that it was on Monday morning. My recollection of his returning that file was not that it was Monday morning, but, you know, I do not——

Senator WEICKER. Do you have any idea as to whether or not Mr. Odle would have known what was contained in the file which he took home?

Mr. REISNER. No, I do not have any idea.

Senator WEICKER. By the nature of the phone conversation?

Mr. REISNER. No, I do not.

Senator WEICKER. But that was the same phone conversation which indicated to you——

Mr. REISNER. Which file it was, that is correct.

Senator WEICKER [continuing]. Which file it was.

Mr. REISNER. But as to the substance——

Senator WEICKER. But as to the contents——

Mr. REISNER. No, sir, I do not have any knowledge of that.

Senator WEICKER. Do you know of any phone calls as between Mr. Magruder and Mr. Colson?

Mr. REISNER. Yes, sir.

Senator WEICKER. Concerning demonstration projects?

Mr. REISNER. OK. I have read that. There was a story in the news recently.

Senator WEICKER. I am interested in your knowledge and not what you have read.

Mr. REISNER. OK. It is my impression that Mr. Colson was—let me go back. I think I have described earlier in testimony here that at the time of Mr. Hoover's death there was a demonstration. I think it was here on Capitol Hill. At that time, it seems to me Mr. Magruder received a phone call in which he was instructed to get counter-demonstrators. Now, I was not monitoring the phone call. I was sitting in front of him when he received the phone call; so I do not know exactly who it was. It was my impression that it was Mr. Colson that did that.

The reason that I say that, is that, I think I subsequently said I expressed some surprise about the activity. And he indicated to me something along the lines of, "It is a throwaway; we have got to do things like this, because that allows us to say no when it is important."

Senator WEICKER. Now, were there any other projects aside from the conversations you have referred to that were discussed as between Mr. Magruder and the person whom you thought to be Mr. Colson?

Mr. REISNER. OK. When I say thought to be, you know, it was my impression that it was from the circumstances, and if asked who I thought it was, I thought it was Mr. Colson. But I cannot say that.

It seems to me that Mr. Magruder also was called on a subsequent occasion. The reason I remember this is that he made some joke about the fact that he had gotten himself in trouble. The way he had gotten himself in trouble was that he had removed an individual who was supposed to be sitting in front of the White House wearing a McGovern button. He had said, he had called it off. He had placed that individual there initially, I guess, and then had removed him. He received a phone call and again, it was my impression, but impression is as close as I can come, that he had gotten himself in trouble and, therefore, replaced that demonstrator.

Senator WEICKER. Now, during the period from June 19 to June 23 was there a general house cleaning of files and removal of so-called sensitive material from the Committee To Re-Elect the President?

Mr. REISNER. Well, as to whether other individuals of the committee removed material, I do not know. As to what material there was in the committee, you know, I cannot be certain. But I have testified here today that I was asked to go through Mr. Magruder's files and to centralize the sensitive political material, that anything that is sensitive material takes on an added meaning. I do not mean that as Gemstone material. There was no other, as far as I know.

Senator WEICKER. All right, within your knowledge, do you know where the orders came from as to this house cleaning?

Mr. REISNER. No sir, I do not.

Senator WEICKER. Prior to July 1, 1972, to whom were major committee policy memos distributed?

Mr. REISNER. Prior to—I am sorry?

Senator WEICKER. July 1 of 1972.

Mr. REISNER. Well, the major policy memos would have gone to Mr. Mitchell for his decision.

Senator WEICKER. All right, after July 1, 1972, where did all major committee policy memos go?

Mr. REISNER. To Mr. Clark MacGregor. Copies of them would have gone to Mr. Haldeman and additional copies would have gone to interested people in that particular decision.

Senator WEICKER. Did Mr. Strachan play a role in the dissemination of the material as to whom it would go to?

Mr. REISNER. Subsequently Mr. Strachan was the contact point in the White House and, therefore, those memos that we were discussing would have been sent to Mr. Strachan for Mr. Haldeman. That was the purpose of sending them to Mr. Strachan.

Senator WEICKER. After July 1 of 1972, insofar as your own observation is concerned, was Mr. Clark MacGregor's role as the head of the Committee To Re-Elect the President a real role or was he a figurehead?

Mr. REISNER. This was colored by the fact that I became Clark MacGregor's executive assistant.

Senator WEICKER. I understand.

Mr. REISNER. My impression was that it certainly was.

Senator WEICKER. Certainly was what?

Mr. REISNER. A real role. That the activities for the Committee To Re-Elect the President increased as time went on, that the burden of the campaign director increased as the campaign went on and, therefore, the activities that Mr. MacGregor performed may have been different than those that Mr. Mitchell performed because of his own talents and because of the fact there was more to do.

Senator WEICKER. The running of the campaign from that point on, was this a dual affair insofar as Mr. Strachan's role and Mr. MacGregor's role was concerned. How would you relate these two individuals?

Mr. REISNER. No, Mr. Haldeman and Mr. MacGregor would both have been aware of decisions concerning the campaign. Mr. Haldeman was informed after July 1 as he was prior to July 1 on an information basis that decisions were those of the campaign director.

Senator WEICKER. Lastly, did Mr. Magruder ever tell you what happened to the Gemstone file after June 17?

Mr. REISNER. Yes. In a conversation that I think I began to go into with the chairman, Mr. Magruder during that conversation said to me "It's gone". I was asking about the Gemstone and its meaning and he said "I don't know what it means either, forget about it, it's gone, don't worry about it." I can only speculate as to what "It's gone" means.

Senator WEICKER. I have no further questions at this time. I have to go vote.

Senator INOUYE. Mr. Reisner, from your testimony you have indicated that you did inspect some of the so-called Gemstone files. You advised this committee some of the files related to candidates and I believe you told the staff that some of the files related to a Presidential appointee and a Member of Congress. Were they all of a political nature?

Mr. REISNER. Let me be specific about that, Senator, as to what I indicated to the staff.

I indicated to the staff that the first time that I saw the word Gemstone was not in those materials that I have described as being the ones that I was asked to remove on June 17. There was an earlier occasion. The stationery was different. It seems to me that the memo said something like "Subject Gemstone" and there were two such memos that I remember having been marked destroy or something like that that were put in the outbox and it was from those two memos that I had gathered an impression of subject matter, but as to whether the means of obtaining that information was the same.

Senator INOUYE. I am not talking about the means of the subject matter. It was all political, wasn't it?

Mr. REISNER. Those two pieces of general campaign intelligence that I have testified to, yes, sir.

Senator INOUYE. Do you recall seeing anything referring to foreign organization or foreign countries?

Mr. REISNER. No, sir; I do not.

Senator INOUYE. Or international intrigue or conspiracy?

Mr. REISNER. Let me, and this is again in order to be specific—in answer to your question I was asked by your staff whether I recognized other code names and I believe that the word "Crystal" was brought up in that connection. That sounds familiar. I do not know specifically that I had seen the word Crystal but it has a familiar sound to it. It seems to me that I had seen one or two other memos that concerned demonstrators, it concerned the kinds of things that I think Mr. McCord has testified about here before. But as to whether or not they related to Gemstone or to Crystal or anything like that, I cannot be specific because I do not remember.

Senator INOUYE. You have testified that Mr. Sedan Chair received a thousand dollars a month. How long was he employed by your committee?

Mr. REISNER. I do not know. I think, that if Sedan Chair referred to one individual, it was my impression that that individual was receiving compensation for approximately 6 to 9 months.

Senator INOUYE. Six to nine months. Do you know who Mr. Sedan Chair is?

Mr. REISNER. No, sir; I do not.

Senator INOUYE. I thought you told the committee you had some idea as to his identity.

Mr. REISNER. I am sorry.

Senator INOUYE. Didn't you tell the committee you had an idea as to his identity?

Mr. REISNER. No, sir; at no time. Have I indicated that? I have indicated that I had some idea as to where he might have been located at one point in time but that I think is as close as I can come as to identity.

Senator INOUYE. You have indicated you weren't quite certain of the nature of the Gemstone file and yet on June 17 when Mr. Magruder asked you to take those files home, you showed great reluctance to do so and had Mr. Odle take them back. Why were you so reluctant?

Mr. REISNER. I think the nature of the reluctance was the nature of the circumstance under which the conversation took place. I think that

had it come the other way, had Mr. Magruder said in the phone conversation you take that file home, I would have done so. I do not think I would have had any reason not to. There was some hesitation. I think it was because I did not know where the file was at the time he was saying to me on the phone you have the file, don't you, and I was—in fact I did not know where it was, and I think I said yes, I can find the file.

Senator INOUYE. It is your testimony that you were not aware of the nature of the Gemstone file?

Mr. REISNER. With this exception. That I had a circumstantial understanding of who it came from.

Senator INOUYE. And you were not aware——

Mr. REISNER. Mr. Liddy. And therefore I had some general awareness.

Senator INOUYE. You were not aware that the information gathered for the Gemstone file had been gathered illegally?

Mr. REISNER. No, sir.

Senator INOUYE. Beside Mr. Magruder, have you met with any other person who might have attempted to influence you in your presentation here or before any investigating group?

Mr. REISNER. No, sir; I had not met with Mr. Magruder and as I also indicated, I think he took back his—if that was intended—influence. I think he apologized for it.

Senator INOUYE. Did any other person call you?

Mr. REISNER. Yes, sir; I have received phone calls from other individuals who have business before this committee. Mr. Strachan called me. He did not ask me, he did not try to influence me in any way. He just indicated he would like to get together and through counsel I declined.

I was also called by Mr. Porter and he did not attempt to influence me.

Senator INOUYE. Mr. Porter was a full-time employee of the committee, wasn't he?

Mr. REISNER. Yes, sir.

Senator INOUYE. Was he on the payroll of some other organization?

Mr. REISNER. Mr. Porter?

Senator INOUYE. Yes.

Mr. REISNER. Not to my knowledge.

Senator INOUYE. Did you not testify that someone, I thought it was Mr. Porter, was on a company payroll?

Mr. REISNER. No, sir, Mr. Magruder had a conversation with Mr. Porter standing in front of me early in the year in which Mr. Magruder said something to the effect that we found a company where we can have some individual who was working for Mr. Porter work for that company.

Senator INOUYE. Was this common practice in the committee?

Mr. REISNER. No, sir.

Senator INOUYE. Now, you discussed the so-called demonstrations and Hoover funeral. What was the nature of the demonstrations?

Mr. REISNER. At the demonstrations, at the Hoover funeral. I do not know. I know from reading newspaper accounts and I can fill it in, I can fill in my own understanding of what took place. I think the significance of that phone call is one that is derived, it did not seem that significant at the time.

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Senator INOUYE. Thank you very much.

Senator BAKER [now presiding]. Mr. Reisner, it is possible the points I am going to raise have been raised in my absence. As you know, the committee had a rollcall vote to attend and part of us left and part stayed in an effort to expedite the proceedings and hopefully to finish with your testimony today, so if the points I raise are repetitious, bear with me and we will move through them as fast as we can.

It is my understanding that you met with staff of this committee on three separate occasions.

Mr. REISNER. Four, sir.

Senator BAKER. Four occasions.

Mr. REISNER. Yes, sir.

Senator BAKER. And in any event, the last occasion was at your request.

Mr. REISNER. The third occasion was, yes. I met yesterday with the committee just to go through the notebook and to try to clarify some issues.

Senator BAKER. But the third occasion then, was at your request?

Mr. REISNER. As a matter of fact, Senator, it was directly in response to a statement I think you had made at Friday's hearings. I think you described the nature of witnesses that you wanted to see and indicated that you did not know the questions to ask sometimes. There were also, as Senator Weicker has indicated, some conflicts which I did not feel were material conflicts but they were issues I thought I should discuss with the staff.

Senator BAKER. We appreciate that and we appreciate your coming forward of your own volition to give additional testimony.

The information I have from the staff memorandum here is that you had indicated, in fact, that you thought there were certain discrepancies that you would like to clarify based on your understanding of the facts and the facts as described by Mr. Odle.

Mr. REISNER. Yes, sir.

Senator BAKER. And that is the point I wanted to reach. Would you describe for me then the points where you thought additional clarification was required vis-a-vis the testimony of Mr. Odle?

Mr. REISNER. Well, there may very well be points in your summary that I do not remember raising. It seems to me there were a few points of question in time. Who had the key to open the desk? I had the key to open the desk. I worked for Mr. Magruder. Who left the room? Did Mr. Odle leave the room? It seems to me he did but after the phone call. When did the phone call take place? I placed it shortly after 6:30 because when I arrived the news was on. What was discussed in the conversation? We reviewed that but I thought it was worth going over it again.

Senator BAKER. So in effect, your tenor of testimony as evidence in your request for a third meeting with the staff was to supplement the testimony of Mr. Odle rather than to contradict the testimony?

Mr. REISNER. Absolutely. I do not think there are any significant conflicts.

Senator BAKER. I think you are to be commended for offering to come forward with that information. I appreciate your clarifying that point.

Mr. Reisner, do I understand that you did not interview with Mr. Porter or Mr. Magruder or Mr. O'Brien? Is that the burden of your testimony?

Mr. REISNER. That I did not interview?

Senator BAKER. Yes.

Mr. REISNER. You mean——

Senator BAKER. Subsequent to the June 17 entry into the Watergate complex, to discuss the nature of the situation, your role in the investigation, or any other aspect material to this inquiry.

Mr. REISNER. Not precisely, I testified that I had several conversations with Mr. Magruder subsequent to June 17 in which this subject came up.

Senator BAKER. Did you ever meet and talk with Mr. Magruder in Mr. O'Brien's office?

Mr. REISNER. No, the only time I have been in Mr. O'Brien's office was this April. I did not meet with Mr. Magruder in Mr. O'Brien's office. I talked to him on the phone and he called me from Mr. O'Brien's office to express his displeasure at my not coming to the meeting. I met with Mr. O'Brien subsequently in which I described the nature of the conversation, sure, go ahead and meet with his staff.

Senator BAKER. For the record, would you describe—would you say who Mr. O'Brien is?

Mr. REISNER. Mr. Paul O'Brien is a lawyer here in Washington who was employed by the Re-Election Committee and in that role was just providing advice and the advice was you simply have, if you want to have counsel, you should have your own counsel, keep your own counsel, you know.

Senator BAKER. Did he advise you about what you should say to the staff or what you can testify to?

Mr. REISNER. He told me I should tell the truth.

Senator BAKER. Did he tell you anything else?

Mr. REISNER. No, sir.

Senator BAKER. I understand that you mentioned a conversation with Mr. Magruder and an unidentified party on the other end of the telephone you thought might be Mr. Colson.

Mr. REISNER. I have testified I was sitting in Mr. Magruder's office and listened to him receive a phone call. It is my impression it was from Mr. Colson.

Senator BAKER. I apologize to you for not being present when you covered that testimony. But even acknowledging the repetition, would you tell me on what you base that conclusion?

Mr. REISNER. It just seems to me that, I do not know, I had the impression that that particular phone call came from Mr. Colson. It seems to me his secretary, who would have been sitting practically in the entrance to his office might have said it is Mr. Colson or something like that.

Senator BAKER. I am not trying to protect Mr. Colson, I am simply trying to sharpen the identification to have some bearing on the quality of the identification. So you are speaking of Mr. Magruder's secretary?

Mr. REISNER. Yes, sir. There are any number of ways in which I could have gained the impression that it was Mr. Colson.

Senator BAKER. Can you help me any further?

Mr. REISNER. It could have been, he could have said, he could have addressed him by name or something in the phone call. Subsequently, I do remember having a conversation about this kind of thing.

Maybe it is important to bring up the nature of how I testified to that phone call to the staff. I think the staff was asking me about demonstrators and they were saying, well, what would cash—what cash would have been spent on, do you have any knowledge of demonstrators, and I said I only have knowledge of this one occasion, possibly this other one.

Senator BAKER. Is that the total of your information on the question of identifying Mr. Colson as the other end of the telephone conversation?

Mr. REISNER. To the best of my recollection it was just gained circumstantially from sitting in front of this man and gaining a feeling of who he was talking to.

Senator BAKER. I am trying to be fair to both you and Mr. Colson. It is your firm impression that was Mr. Colson on the other end of the telephone but you cannot supply additional information on which you base that judgment. Is that a fair restatement of your situation?

Mr. REISNER. Yes, sir; perhaps even less strongly. I think I indicated it could have been Mr. Howard, Mr. Colson's assistant.

Senator BAKER. Mr. Reisner, time is growing short and we are going to have another rollcall very shortly. With other witnesses I assume you are willing to return and give further testimony if that becomes necessary?

Mr. REISNER. Certainly.

Senator BAKER. I would yield now, if I may, to Senator Gurney.

Senator GURNEY. Mr. Reisner, who employed you at the Committee To Re-Elect the President?

Mr. REISNER. Who employed me; who offered me the job?

Senator GURNEY. Yes.

Mr. REISNER. Mr. Magruder did.

Senator GURNEY. Were you recommended by anybody?

Mr. REISNER. Yes, sir; I was; I was recommended by Mr. Fred Malek to Mr. Magruder.

Senator GURNEY. What was your job before that?

Mr. REISNER. Prior to coming to the Committee for the Re-Election of the President, I was in the Environmental Protection Agency.

Senator GURNEY. For how long?

Mr. REISNER. For approximately 3 or 4 months—4 months. I had graduated from school in June, had gone to work for the Environmental Protection Agency, and then had been recommended for this job and had gone over and accepted it.

Senator GURNEY. EPA was your first job after school?

Mr. REISNER. Yes, sir.

Senator GURNEY. What was your pay there?

Mr. REISNER. My pay there?

Senator GURNEY. Yes.

Mr. REISNER. My pay was GS–12 salary, which was $15,000.

Senator GURNEY. And at the Committee To Re-Elect?

Mr. REISNER. Identical. The pay was a lateral pay.

Senator GURNEY. One or two questions here that others have raised but I would like a little more detail on.

You mentioned that about the meeting of Mr. Magruder with Mitchell in March?

Mr. REISNER. Yes, sir.

Senator GURNEY. And upon his return you were instructed to call Gordon Liddy and tell him the project was approved?

Mr. REISNER. I have testified to that. I have also, I think, indicated that I cannot be certain that it came following that meeting, but that I do remember such a phone call.

Senator GURNEY. Did you have any such idea what the project was?

Mr. REISNER. No, sir, I did not. In fact, it led to confusion in the phone call when Mr. Liddy objected to the time limit and I indicated to him I did not know what he was talking about.

Senator GURNEY. You mentioned some of the meetings here that you noted in your log between Magruder and Mitchell and Dean and Liddy. Did you ever know what those meetings were about?

Mr. REISNER. No, sir, I did not.

Senator GURNEY. Did Mr. Magruder ever discuss them with you?

Mr. REISNER. No, sir, he did not.

Senator GURNEY. There is one notation here in the log that is on the page before the one marked Thursday, March 30. Do you have the log there?

Mr. REISNER. Yes, I do.

Senator GURNEY. Could you turn to that?

Mr. REISNER. I am afraid it has gotten out of order. On the 29th of March?

Senator GURNEY. Well, it is the one prior to March 30. It is not marked any date on mine.

Mr. REISNER. Yes.

Senator GURNEY. Just has three notations on it.

Mr. REISNER. Yes, sir.

Senator GURNEY. Up in the left-hand corner there is a notation that I cannot decipher. What does that say?

Mr. REISNER. I think it says Sedam Muskie piece.

Senator GURNEY. What does that mean?

Mr. REISNER. Mr. Sedam was the general counsel and he was, therefore, concerned with the election law. To the best of my knowledge, what he would have been concerned with there would have been an advertisement or something like that or a piece that Senator Muskie may have run that Mr. Sedam would have been concerned with that kind of thing. I remember it being involved with advertising litigation and I do not know whether that is it or not.

Senator GURNEY. But you think it is an ad that the Muskie campaign was running, is that what you said?

Mr. REISNER. Well, I think, I do not know, I would have to ask Mr. Sedam what it was because I do not remember it exactly. The reason that it appears in that column, I would have been responsible for following up and seeing whether or not he had done the brief or whatever it was he was asked to do.

Senator GURNEY. Now, on the date of the log marked Monday, June 19, would you turn to that one?

Mr. REISNER. Yes, sir.

Senator GURNEY. There are some names again over on the left-hand side in the upper part. What are those names?

Mr. REISNER. It is my impression that those names are Liddy, Dean, Shumway, Strachan, and the fact that there is an arrow next to them I can only guess as to what it means. I think that that would have meant that it was just a continuing activity. Those were people who came in to see Mr. Magruder. That column would have referred to Mr. Magruder's activity and it is my impression that those people came in to see Mr. Magruder, not to get that Monday morning——

Senator GURNEY. Do you have any idea why they were there?

Mr. REISNER. Why they were there? Well, as to Mr. Liddy and Mr. Dean, you know, I can only speculate from what I read in the newspaper recently. As to Mr. Shumway, he was the press person at the committee and, therefore, I think would have been meeting with Mr. Magruder as to what to say to the press. As to Mr. Strachan, it was his role to stay in touch with the committee, I guess; I do not know.

Senator GURNEY. Well, is it your feeling that they came in to discuss the Watergate break-in?

Mr. REISNER. I am certain that that is what Mr. Magruder was concerned about that morning.

Senator GURNEY. Did they seem agitated, do you recall anything about their appearance, how long they were there?

Mr. REISNER. As to whether they seemed agitated, I cannot say that.

Senator GURNEY. Do you recall how long that was?

Mr. REISNER. No, I don't. It seems to me they came in individually. It probably took most of the morning, judging from the notation.

Senator GURNEY. You mentioned the money that you helped Mr. Porter count. I don't recall that you ever said anything about where it came from. Do you know where it came from?

Mr. REISNER. It was my impression that it was given to Mr. Porter by Mr. Sloan.

Senator GURNEY. On one occasion, several occasions?

Mr. REISNER. I don't know. In fact, as I tried to indicate, I don't know whether all the money that Mr. Strachan gave Mr. Porter was accounted for. The accounting was an accurate accounting, to the best of my knowledge.

Senator GURNEY. Do you know who had Gemstone files other than, of course, Mr. Magruder?

Mr. REISNER. No, sir.

Senator GURNEY. He never discussed that with you?

Mr. REISNER. No, sir.

Senator GURNEY. You mentioned that on several occasions when you, I guess, saw the file and also the copies of these photos that apparently came from the Democratic National Committee, it was indicated to you that you shouldn't be looking at those. Wasn't that your testimony?

Mr. REISNER. Yes, sir.

Senator GURNEY. How was that indicated to you?

Mr. REISNER. Well, the reason I say "indicated" is I do not remember Mr. Magruder specifically saying to me, don't look at this.

But it seems to me he may have turned them upside down and he may have indicated with his expression that it was none of my business.

There were other times during the time that I worked for him that he was working on something and I didn't know what it was, and he indicated to me that I was—it was none of my concern.

Senator GURNEY. That was going to be my next question. How many times did this occur?

Mr. REISNER. There were a number of times in which things were extremely closely held. Senator, at the time that the convention was moved, for example, at the time that new polling came in with head-on-head results with the President and contenders, that was information which was not given to me and in which it was made extremely specific that I was not to be involved in it.

Senator GURNEY. Well, did you get the impression that there was, shall we call it surreptitious, activity going on——

Mr. REISNER. Yes, sir.

Senator GURNEY [continuing]. That you weren't supposed to know about?

Mr. REISNER. Yes, sir.

Senator GURNEY. And this occurred rather frequently, is that right?

Mr. REISNER. No; I would have considered that prior to June 17, when it could have had extraordinary impact on the campaign, I would have considered it to be very unimportant, that there were other things in the campaign that were important to the campaign.

Senator GURNEY. Did Mr. Liddy spend a great deal of time with Mr. Magruder?

Mr. REISNER. No; he would have met with him on several occasions, but not a great deal of time.

Senator GURNEY. Did anybody from the White House contact you at any time after June 17 and counsel you about any testimony you might be giving?

Mr. REISNER. No, sir; I was never contacted by anybody in the committee or at the White House.

Senator GURNEY. There were FBI interviews, as I understand, of many personnel of the Committee To Re-Elect the President after June 17. Were you interviewed by the FBI?

Mr. REISNER. No, sir; I wasn't.

Senator GURNEY. Are you aware of such interviews?

Mr. REISNER. Oh, yes. There would sometimes be 10 or 15 FBI agents that would come to the office simultaneously.

Senator GURNEY. There have been charges made by some that the Committee To Re-Elect the President did not cooperate with the FBI. Can you shed any light on that?

Mr. REISNER. No, sir. I think that there has been a newsstory saying that some of the agents may have resented the presence of counsel at those interviews. I was aware that there was counsel sitting in on interviews. But as to anything else, I am not aware of anything else there.

Senator GURNEY. But it would be your recollection that there was cooperation?

Mr. REISNER. There was an extraordinary number of interviews; that was my impression. But I don't know anything more than that.

Senator GURNEY. You mentioned reports and memos that went to the White House from your office. Did Mr. Magruder report directly at all to anybody in the White House regularly?

Mr. REISNER. Well, concerning certain activities that took place in the campaign, there were individuals at the White House who were primarily concerned with those and Mr. Magruder would have unquestionably discussed things with those people just because they were the ones who were responsible for them. As to whether he reported to him, Mr. Magruder worked for Mr. Mitchell and Mr. MacGregor and the reporting relationship was one of coordination rather than reporting.

Senator GURNEY. You mentioned a phone call in some detail that you had with Mr. Magruder on June 17. Did you have any other phone calls with anybody in California on that date?

Mr. REISNER. No, sir.

Senator GURNEY. That was the only one?

Mr. REISNER. Yes, sir.

Senator GURNEY. That is all, Mr. Chairman. I have to vote.

Senator ERVIN. Senator Montoya.

Senator MONTOYA. Thank you, Mr. Chairman.

I want to apologize for not being here during the full course of the testimony, but we did have two rollcall votes and I had to be at two other meetings.

Mr. Reisner, as administrative assistant to Mr. Jeb Magruder, you, of course, knew who he was going to meet everyday while you were there; is that correct?

Mr. REISNER. I would say approximately, yes, sir.

Senator MONTOYA. And prior to March 4, how many meetings did he have at the Department of Justice with Mr. Mitchell?

Mr. REISNER. Prior to March 4?

Senator MONTOYA. Yes.

Mr. REISNER. I would say he met several times a week with Mr. Mitchell. That could be verified exactly in the calendar.

Senator MONTOYA. And what individuals accompanied him to see Mr. Mitchell at the Department of Justice during this time?

Mr. REISNER. It would have depended on the nature of the meeting. If the meeting concerned advertising, for example, I am certain Mr. Peter Daly would have accompanied him.

Senator MONTOYA. If the meeting were concerned with clandestine activities, who would have accompanied him?

Mr. REISNER. Clandestine activities?

Senator MONTOYA. Yes.

Mr. REISNER. Well, this is retrospective in the sense that I think I knew there were activities that weren't generally——

Senator MONTOYA. Now that the names of the individuals have been divulged, were any of those names engaged in clandestine activities—were any of those individuals at the Department of Justice with Mr. Magruder during any of these times?

Mr. REISNER. Well, I have testified that Mr. Liddy and Mr. Magruder went to the Department of Justice. Other individuals I am not certain.

Senator MONTOYA. What about Mr. Dean?

Mr. REISNER. Yes, in the notebook, in the calendar, it indicates that Mr. Dean attended that meeting.

Senator MONTOYA. On how many occasions would you say Mr. Liddy accompanied Mr. Magruder to see Mr. Mitchell?

Mr. REISNER. As far as I know, there was only one occasion. But perhaps the calendar shows more than that.

Senator MONTOYA. Now, prior to June 17, were you aware or did you have any knowledge of any plans to bug the DNC or the McGovern headquarters?

Mr. REISNER. No, sir.

Senator MONTOYA. Did you have an inkling that such a thing might be in the offing?

Mr. REISNER. No, sir.

Senator MONTOYA. You did not ascertain this until after the matter was announced in the newspapers?

Mr. REISNER. That is correct.

Senator MONTOYA. Is that about right?

Mr. REISNER. That is correct.

Senator MONTOYA. Now, were you aware, as AA to Mr. Magruder, of his activities with regard to employing individuals to disrupt any part of the Democratic campaign?

Mr. REISNER. To Mr. Magruder's activities to employ individuals to disrupt the campaign, I cannot say that I was. There are individual incidents to which I have testified. For example, this Hoover funeral testimony that I have discussed here today, where I overheard a phone call which indicates that it was related to an activity. I did not have any knowledge of any of that kind of activity except circumstantially.

Senator MONTOYA. Were you aware of the instance where somebody from the CRP employed someone to park right in front of the White House and pose as a McGovern supporter?

Mr. REISNER. Yes, sir.

Senator MONTOYA. Were you aware of other similar incidents?

Mr. REISNER. Yes, sir. There is a distinction here which may not be a good one. The distinction is that it seemed to me at the time that the purpose of that individual sitting in front of the White House—and I learned about the individual after he had been removed and then was replaced there—that the purpose of that was some sort of a public relations effort, that it was for the publicity value of it, not for any disruptive value. Now, I am not certain that that is a very——

Senator MONTOYA. Publicity for whom?

Mr. REISNER. Well, negative publicity for Senator McGovern would be the concept. If that negative publicity is disruptive, yes, sir.

Senator MONTOYA. And you were aware of other instances?

Mr. REISNER. Of individuals like that?

Senator MONTOYA. Yes.

Mr. REISNER. Well, yes, I have testified that I was aware of an individual who I think was referred to—I don't think—who was referred to as Sedan Chair and that that individual was obtaining information, it seemed, from the Humphrey campaign.

Now, as to whether that individual worked for Mr. Humphrey and was disgruntled at that moment and passed information, I can't say. I mean it could have been less negative.

Senator MONTOYA. Well, were you aware that there was a plan being executed to employ individuals to pose as McGovern supporters at the Democratic National Convention and to indulge in certain acts and that all this was under the sponsorship of the CRP?

Mr. REISNER. Let me be specific about this, because just a minute ago, when I said I was aware of that individual, what I was aware of was the purported fruits of his activity. You know, that is how I learned about the individual.

Now, as to a plan to employ someone there, I listened to a conversation in which Mr. Liddy basically bursts into Mr. Magruder's office and said, "I have this idea."

Now, I don't know whether—and the idea was to employ supporters who would pose as McGovern supporters—I presume it was McGovern supporters.

Senator MONTOYA. At the Democratic National Convention?

Mr. REISNER. The Democratic National Convention.

Senator MONTOYA. Tell us more about that conversation.

Mr. REISNER. The nature of the conversation was Mr. Liddy coming in and saying, "I have this great idea." The idea, I think, was employing some sort of demonstrators who would wear McGovern identification badges or something.

Senator MONTOYA. What kind of identification badges would they be?

Mr. REISNER. There was on one occasion, Senator, and I think I described this to your staff, a woman who would have disrobed at the Democratic National Convention. That was the nature of the conversation.

Now, maybe that is important to point out, because I have no idea whether Mr. Magruder would have said that was a good idea or not. [Laughter.]

He certainly did not indicate it was a good idea at the time. He just was amazed. [Laughter].

Senator MONTOYA. He wasn't shocked?

Mr. REISNER. I am not——

Senator MONTOYA. Mr. Reisner, are you aware of any other plans along these same lines with respect to the conduct of the Democratic National Convention in Miami?

Mr. REISNER. No, sir.

Senator MONTOYA. Now, do you know whether or not Mr. Magruder employed any of the individuals that were engaged in the bugging or trying to disrupt the campaign activities on the part of the Democrats?

Mr. REISNER. No, sir. The most accurate—I mean the most information I have ever seen about that has been in the newspapers recently.

Senator MONTOYA. Did you know Mr. Segretti?

Mr. REISNER. No, sir.

Senator MONTOYA. Do you know whether or not he visited the CRP headquarters?

Mr. REISNER. I don't know. I wouldn't have recognized him.

Senator MONTOYA. Now, when you kept the log, did this particular log which you presented to the committee reflect all the appointments that Mr. Magruder had? And can you tell us what other individuals at the White House Mr. Magruder met?

Mr. REISNER. Well, sir, to my knowledge, the diary that was kept by my secretary would reflect his schedule accurately. All individuals that he met with, unless he would have just stopped by their office to see them, would be reflected in that calendar.

Senator MONTOYA. Did Mr. Magruder meet very frequently with Mr. Liddy in his office or in Mr. Liddy's office?

Mr. REISNER. I do not know about Mr. Liddy's office. I do not imagine that he did. It seems to me that he probably met with Mr. Liddy on a number of occasions, but not frequently. Their relationship was not one that—they did not get along very well.

Senator MONTOYA. Now, it is my understanding, as has been testified to here previously that on the evening when you and Mr. Odle decided to take out some secret files from Mr. Magruder's desk, you took what was known as the advertising file and that you turned over what has been called the strategy file to Mr. Odle to take home with him. That is correct, is it not?

Mr. REISNER. Yes. I took home some things in addition to that.

Senator MONTOYA. What else did you take home?

Mr. REISNER. I took home—the first thing that I remember taking out of Mr. Magruder's desk was a document which was the June wave of polling information. There was a wave of polls that was conducted in late spring. That was the most sensitive polling information that we had.

There was some analysis of that polling information. There was also a file, a large, thick file that contained the operating plans in the key States that we considered important following, beginning in July.

In addition to that, there was this advertising file. In fact, what that was was not our advertising file concerning the November group at the Committee for the Re-Election of the President advertising; that file concerned the creation of the Democrats for Nixon, which had not at that time been created. Mr. Connally had not returned from his trip and it was very sensitive at that time.

Senator MONTOYA. Why was it sensitive?

Mr. REISNER. Well, I do not think it was agreed to at that time that Mr. Connally would head the Democrats for Nixon. In addition to that, I know that there were a number of Democrats all over the country who might or might not wish to be supporters of the President.

Senator MONTOYA. Was the advertising file such that it contained advertising or plans for advertising, something derogatory against Democratic candidates?

Mr. REISNER. No. I believe that all it contained at that time was—the Democrats for Nixon did later conduct negative advertising. I mean it was shown on national television. But at that time, all that that file contained, to my knowledge, was the ad copy for the ad that was going to represent the formation of the Democrats for Nixon.

Senator MONTOYA. Up to that time, you did know what was in the Gem file or you knew that there was something very strategic in the Gem file?

Mr. REISNER. Yes, sir. All I knew was that Mr. Magruder considered it important.

Senator MONTOYA. Why did you, as administrative assistant to Mr. Magruder, give the Gem file, then, to Mr. Odle to take home when it was the only really sensitive file in the whole bunch?

Mr. REISNER. Well, it is sensitive in retrospect. It is sensitive in the fact that we now know it appears to have concerned illegal activities. If that was ordinary intelligence, just things that Mr. Liddy had been gathering somehow, through his sources or whatever, in a per-

fectly legal way, it would have been sensitive, but it would not have been any more sensitive than anything else that was taken home.

I gave it to Mr. Odle because I was told to give it to Mr. Odle and my relationship with Mr. Odle and his with Mr. Magruder was one of trust. I mean there was no reason not to give it to him. I was just asked to. I am certain I would have taken it home if Mr. Magruder had said it the other way.

Senator MONTOYA. Did you on that day do any shredding?

Mr. REISNER. No, sir.

Senator MONTOYA. Did you on any subsequent day do any shredding?

Mr. REISNER. Yes, sir.

Senator MONTOYA. Tell us about that.

Mr. REISNER. Subsequently, I, on Monday morning, as I have indicated—on Friday I had been given a document. I presumed it was a document. I had been given an envelope which was marked "sensitive material." When I was given that envelope——

Senator MONTOYA. Who gave you that envelope?

Mr. REISNER. Mr. Liddy. When I was given that envelope by Mr. Liddy, he indicated to me that it was a copy or an extra. It was standard operating procedure for me to get rid of copies. There were five copies made of all the documents that were given to Mr. Mitchell and clearly, that was not necessary for the files. Many of them were sensitive and I would get rid of them.

Now, on that Monday morning following the 17th, I discovered that I had not in fact taken home that copy—I had not given that copy to Mr. Odle as I had been instructed to.

Senator MONTOYA. I understood that from your testimony, but the point I am trying to make is did you shred many documents after June 17?

Mr. REISNER. Oh, no; not many. It is conceivable that Mr. Magruder might have put something in his out box and said, "destroy"—just written "destroy" on the thing, or "shred", or something.

Senator MONTOYA. Did you, on your own, take and examine files and cull out sensitive documents and shred them?

Mr. REISNER. There is a distinction. The distinction is that if it had been an original, it is extremely unlikely that I would have destroyed something that was an original without having Magruder indicate that he did not need it any more. If it was a copy, I am certain I destroyed many copies.

Senator MONTOYA. Well, after June 17, did you receive any instruction and pursuant to those instructions, if you did receive them, proceed to categorize documents as sensitive or confidential and then proceed to shred them?

Mr. REISNER. No, sir. The instructions were, find those sensitive materials that may be in the files and give them to me, which is what I did.

Senator MONTOYA. And I think you indicated in the previous testimony that you wanted to centralize the sensitive document in one particular file. That you did, too, did you not?

Mr. REISNER. What I did was I culled the files to find things that were sensitive, gave them to Mr. Magruder. It is conceivable that he put them all in one file. It is conceivable he might have given them

back to me and they might have—I don't think so. I think it was a pretty random selection of materials.

Senator MONTOYA. Now you mentioned the easel a few minutes ago. What about the charts that were in Mr. Liddy's or Mr. Hunt's room which were going to be used at the Attorney General's office? Did you see those charts?

Mr. REISNER. No, sir; I did not see anything that I could identify as charts. I saw a package at approximately the same time. The size and shape of the package was such that it could easily have contained charts, but it might not have.

Senator MONTOYA. Was that package taken on that February 4 visit to the Attorney General's office?

Mr. REISNER. I did not see Mr. Liddy leave for that meeting and I do not know.

Senator MONTOYA. That is all, Mr. Chairman.

I want to thank the witness.

Senator ERVIN. Senator Inouye.

Senator INOUYE. Mr. Chairman, just to complete the record, I have one incomplete question.

Mr. Reisner, you testified that from July 1971 to November 1971 you were employed by EPA for $15,000?

Mr. REISNER. No, sir; that was my annual salary.

Senator INOUYE. $15,000, a year?

Mr. REISNER. Yes.

Senator INOUYE. From there, from November 1971 to July 1972, you worked as administrative assistant to Mr. Magruder, also at $15,000 per annum?

Mr. REISNER. That was my initial salary when I joined the committee. I joined laterally. I was subsequently given a raise, I think it was in March of that year.

Senator INOUYE. Then from July 1972 to November 1972, you were executive assistant to Mr. MacGregor?

Mr. REISNER. Yes, sir.

Senator INOUYE. What was your pay then?

Mr. REISNER. It was $19,000. The initial raise was a $3,000 raise which I think generally equalized my salary with those of other administrative assistants and people in similar positions at the committee. I think that is in the GAO reports.

I was subsequently, when I moved to Mr. MacGregor's office, given a raise of $1,000 to $19,000. That is also in the GAO report, sir.

Senator INOUYE. Then from November 1972 to April 1973, you became a staff assistant of the President of the United States?

Mr. REISNER. Yes, sir.

Senator INOUYE. What was your pay then?

Mr. REISNER. It was exactly the same as it was when I worked for Mr. MacGregor. It was $19,000.

Senator INOUYE. And from April 1973 to this date, you have been employed by the Office of Management and Budget?

Mr. REISNER. Yes, sir.

Senator INOUYE. What is your pay there?

Mr. REISNER. At the time I was employed by the White House, I was on what they call the administrative roll. That means when the pay increase took place in January, it did not affect me. Therefore, when I was given—when I was offered this new job, the offer was made

and it would have been a one-grade increase over what would have been a GS–13 salary to a GS–14 salary, which is what I am now at the Office of Management and Budget. That is $23,000 or something like that.

Senator INOUYE. $23,000?

Mr. REISNER. I think it is $23,400.

Senator ERVIN. I have just one question.

When Mr. Magruder called you on the occasion of March 30, after you had been subpenaed to go to the grand jury, he in effect suggested to you that you ought not to testify about the request of Mr. Liddy that you procured him an easel to show these visual exhibits to Mr. Mitchell because he said that was incredible?

Mr. REISNER. No, sir. Yes, in substance yes. What he has saying was, he said it is incredible that you remember the easel. Nobody remembers the easel. Then, later he said that, he apologized, he was under a great deal of pressure and he did not mean that and I should do what I had to do.

Senator ERVIN. You construed that advice on his part for you not to testify about that?

Mr. REISNER. I construed it as advice on his part at that time that he thought it would be, he was indicating to me that it would be extremely unfortunate testimony but he subsequently corrected that impression.

Senator ERVIN. Yes.

Senator WEICKER. Mr. Reisner, I just want to come back to one point on the questioning that I conducted earlier. You indicated you thought Mr. Clark MacGregor's role as head of the Committee To Re-Elect the President to be a very real one and you made that observation since you were his administrative assistant?

Mr. REISNER. Well, I was trying to. You asked me the question. I was trying to keep my bias as a witness. I think one of the things that Mr. MacGregor did that simply did not happen before, he traveled and he spoke and, therefore, the role changed.

Senator WEICKER. Right. In other words, in that respect he took a very active part?

Mr. REISNER. Yes, sir.

Senator WEICKER. For the Committee To Re-Elect the President?

Mr. REISNER. Yes, sir.

Senator WEICKER. Answer me this question:

Did you tell Mr. MacGregor everything that you have told this committee?

Mr. REISNER. No, sir.

Senator WEICKER. As to what transpired before he came over there?

Mr. REISNER. No, sir; I did not. Frankly, I have thought about that a good deal. As to whether Mr. MacGregor, I mean at that time, and I think throughout this summer, throughout the time after that, I had suspicions about the things that I have told this committee. It is not until Mrs. Harmony indicated that she typed the transcripts that they came from Mr. Liddy and that Mr. Liddy had been convicted, that these things all lock up together and the testimony became significant. At that time it would have been a matter of voicing my suspicions to Mr. MacGregor and I did not do that.

Senator WEICKER. Did anybody else voice suspicion to Mr. MacGregor?

Mr. REISNER. Yes, sir. I think it is important to point out why I did not do it.

Senator WEICKER. You are well aware of the fact that during the course of the summer on more than one occasion Mr. MacGregor indicated there was nothing improper that had happened?

Mr. REISNER. That is right.

Senator WEICKER. Did this give you any pause for concern when you saw these denials taking place?

Mr. REISNER. Absolutely. I think that, to be precise, I was in a situation where I thought that, I could make assumptions and say I was asked to remove a file which had come from Liddy and that Liddy was being investigated by the grand jury. It looks very suspicious and I certainly had suspicions about that, on the other hand, I am reassured by Mr. Magruder there was not an involvement, the committee was not involved. I listened to Mr. MacGregor ask Mr. Magruder the same questions at Miami at the time of the convention. We spent 4 hours and I listened to that discussion. There was not any need for me to raise to him suspicion. I am sure he had them himself. But as to evidence, I do not think at any time did we have any, did I have anything more conclusive.

Senator WEICKER. Did you have a concern, he might be standing before the press in the Nation making these disavowals without complete knowledge? Would that give you any pause for concern?

Mr. REISNER. Yes, it did. On the other hand, I did not have complete knowledge. There was no question in my mind that Mr. MacGregor was discussing this with people who knew the facts and the idea that perhaps Mr. MacGregor was being misled by others with whom he was working, that concerned me a good deal, yes.

Senator WEICKER. Concerned you in what way?

Mr. REISNER. Well, for exactly the reason I think you have indicated, to watch a man stand up before the country and say there is no involvement here when you yourself think to yourself, well, maybe there is not and maybe there is. But you know there are so many factors involved in this thing that I was not aware of and that I was not sure about, I think that, you know, I did not know what the factors were. For me to go to Mr. MacGregor and say I have these suspicions, that would have indicated, I think, that I had complete lack of faith in what I have been told by Mr. Magruder and I did not, I trusted him.

Senator WEICKER. You had no cause to believe at that time, in other words, that there was something that had gone wrong?

Mr. REISNER. I had cause to believe that there was something that had gone wrong but as to what it was that had gone wrong, whether Mr. Liddy had acted on his own, I had no cause, I had no evidence to believe that he had not acted on his own.

Senator WEICKER. In any event, neither you nor any other member of the Committee To Re-Elect the President gave Mr. MacGregor a briefing?

Mr. REISNER. Oh, no, that is why I was indicating he was talking, he talked to Mr. Magruder, he talked to Mr. LaRue, he talked to Mr. Mitchell, he talked, I am certain he attended the 8:15 meetings at the

White House and I am certain he talked to Mr. Haldeman and Mr. Colson and Mr. Ehrlichman.

Senator WEICKER. But, to your own knowledge, none of the information which involved you personally was ever transmitted by you to Mr. MacGregor; is that correct?

Mr. REISNER. Of my knowledge, no, I do not know whether this information that I have talked about here today was transmitted to Mr. MacGregor, no.

Senator WEICKER. So when you saw the disavowals take place, did it concern you that such disavowals were being made without this type of knowledge, specific knowledge, you had, never mind anybody else?

Mr. REISNER. Let us be specific about the knowledge. The knowledge was I had been asked to remove and give to Mr. Odle a file which seems suspicious in retrospect because I think it came from Mr. Liddy. As to whether Mr. MacGregor knew I had been asked about that, no, but then there are a lot of other factors concerning that file that would have been even more important than the little bit that I knew about such as the content.

Senator WEICKER. I have no more questions, Mr. Chairman.

Senator ERVIN. Mr. Lenzner, did you have something?

Mr. LENZNER. Yes, just one question. Mr. Reisner, you answered Senator Ervin's question about the attack file you saw on June 17. You had seen that attack file on prior occasions?

Mr. REISNER. Yes; it was an active file. What I meant to say, I was not certain what was in the file on June 17. I have a general knowledge.

Mr. LENZNER. You had seen documents in that file on prior occasions, is that not correct?

Mr. REISNER. Yes. I am not certain I have seen all documents in the file.

Mr. LENZNER. Had you seen documents on the prior occasion that began confidence source reports or reliable reports?

Mr. REISNER. I have read in the press that it is supposed to have significance, it is supposed to indicate a wiretap transmittal. I did not know that at the time and if in fact that is what it contained. I do not believe it did but I had seen documents that began confidence source reports.

Mr. LENZNER. Thank you.

Senator ERVIN. On behalf of the committee, I want to take this occasion to thank you for the complete cooperation which you have given to the committee at all times and commend you on the forthrightness of the testimony you have given to the committee today.

Mr. REISNER. Thank you, Mr. Chairman.

Senator ERVIN. The committee will stand in recess until 10 o'clock tomorrow.

[Whereupon, at 4:40 p.m., the hearing was recessed, to reconvene at 10 a.m., Wednesday, June 6, 1973.]

WEDNESDAY, JUNE 6, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to recess, at 10:07 a.m., in room 318, Russell Senate Office Building, Senator Sam J. Ervin, Jr. (chairman), presiding.

Present: Senators Ervin, Talmadge, Inouye, Montoya, Baker, Gurney, and Weicker.

Also present: Samuel Dash, chief counsel and staff director; Fred D. Thompson, minority counsel; Rufus L. Edmisten, deputy chief counsel; Arthur S. Miller, chief consultant; Jed Johnson, consultant; David M. Dorsen, James Hamilton, and Terry F. Lenzner, assistant chief counsels; Barry Schochet, William Mayton, Ron Rotunda, assistant majority counsels; Donald G. Sanders, deputy minority counsel; Howard S. Liebengood, H. William Shure, and Robert Silverstein, assistant minority counsels; Pauline O. Dement, research assistant; Eiler Ravnholt, office of Senator Inouye; Robert Baca, office of Senator Montoya; Ron McMahan, assistant to Senator Baker; A Searle Field, assistant to Senator Weicker; John M. Walz, publications clerk.

Senator ERVIN. The committee will come to order.

We are somewhat shorthanded this morning. Senator Weicker is compelled to attend a graduation of his son. Senator Talmadge is the floor manager of an agricultural bill which is now the pending business of the Senate, and Senator Inouye is compelled to chair hearings on a subcommittee of the Senate Commerce Committee. So, notwithstanding our investigation, the business of the Senate is compelled to go on and we hope that these Senators will be able to come in sometime today.

Counsel will call the first witness.

Senator GURNEY. Mr. Chairman. Before we call the first witness, I think we ought to straighten out this news report that appeared last evening and also this morning about the fact that the committee was going to issue a subpena to obtain the logs of the President to verify the number of times that Mr. Dean either did or did not see him. I have talked to the chief counsel about this. He tells me that there was no such statement issued by him and I think that ought to be made clear at this time because it certainly is a misapprehension and it indicates the committee and the White House are not operating in conjunction with this or the White House is not cooperating with this committee, and I wonder if we can have an explanation at this time.

Mr. DASH. Yes. Mr. Chairman, a request was made of me as I left the hearing or some time during the recess as to whether or not the committee would be seeking the information concerning contacts

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between the President and Mr. Dean. My statement was that if it is relevant evidence we certainly will be seeking it and I made no statement that the committee will be issuing a subpena. A correcting statement to the news releases has been made by me, Senator Gurney, which indicates all of our requests to the White House for the appearance of a White House witness or for the production of records from the White House has been made through a discussion between me and Mr. Leonard Garment, Counsel for the President. Up to that date we have received complete cooperation concerning such requests. We will continue that policy which is carried in our guidelines which were approved by this committee, and that is the explanation of this situation.

Senator GURNEY. I thank the chief counsel and I do think it does clarify the situation.

Mr. DASH. Now the next witness is Mr. Hugh Sloan.

Senator ERVIN. Will you raise your right hand. Do you swear that the evidence which you shall give to the Senate Select Committee on Presidential Campaign Activities shall be the truth, the whole truth and nothing but the truth, so help you God.

Mr. SLOAN. I do.

Mr. DASH. For the record, would you please give your full name and address.

TESTIMONY OF HUGH W. SLOAN, JR., ACCOMPANIED BY JAMES R. STONER AND JAMES R. TREESE, COUNSELS

Mr. SLOAN. Hugh W. Sloan, Jr., 7022 Alicent, A-l-i-c-e-n-t, Court, McLean, Va.

Mr. DASH. Are you accompanied by counsel?

Mr. SLOAN. Yes sir; I am.

Mr. DASH. Would counsel please identify himself for the record.

Mr. STONER. Yes, my name is James R. Stoner. I am an attorney here in Washington and I am appearing here along with my partner, James R. Treese, who is seated directly behind me. The two of us are counsel to Mr. Sloan.

Mr. DASH. Mr. Sloan, did you have a position with the Committee for the Re-Election of the President?

Mr. SLOAN. Yes, sir, I did.

Mr. DASH. Could you tell us when you first joined the Committee for the Re-Election of the President?

Mr. SLOAN. There were a series of committees here. As far as my participation in the campaign goes, it would go back to March 6, 1971, and run through until my resignation on July 14, 1972.

Mr. DASH. Now, prior to March 6, 1971, when you joined the campaign, how were you employed?

Mr. SLOAN. I was employed at the White House on the President's staff.

Mr. DASH. What position did you hold there?

Mr. SLOAN. I was a staff assistant to the President in the scheduling and appointments area.

Mr. DASH. Now, how did it come about that you joined the campaign which, as I understand it, did that mean the Committee for the Re-Election of the President?

Mr. SLOAN. At that point in time it was the Citizens Committee for the Re-Election of the President.

Mr. DASH. How did it come about that you took that position?

Mr. SLOAN. Mr. Herbert Kalmbach, President Nixon's personal lawyer, at this point in time called me at the White House one day and indicated to me that he wished to talk to me, would I come to California, which I did, and spent an evening with he and his wife and we discussed the proposition of the organization of the reelection effort for President Nixon. His specific concern was in the finance area. He was looking for someone who had experience from the 1968 campaign to be the first one essentially to set in motion the personnel, the organization, and so forth, the early stages, planning stages of a full-fledged Presidential campaign.

Mr. DASH. Was any other person at the White House involved in your selection or approval?

Mr. SLOAN. Yes, sir, that is correct. In my conversations with Mr. Kalmbach he indicated to me that before I made a final decision, since I was working at the White House, that he wished me to discuss this matter with Bob Haldeman, which I did upon my return from California.

Mr. DASH. And you had this discussion. Did he approve your going over to work in the campaign?

Mr. SLOAN. Yes, sir, he did.

Mr. DASH. Now, you said you had a number of positions. Could you very briefly outline the positions you had in the campaign?

Mr. SLOAN. Yes, sir. The Citizens for the Re-Election of the President was really formed after I went across the street to what has become our headquarters and remained the headquarters building throughout the campaign. This essentially ran from the March period, formative period, up until probably some point in the summer or early fall. This committee essentially contained both political and financial functions in one committee.

At a point in time, as I indicated, in the summer or in the early fall, the decision was made to divide the campaign into two separate committees, one having the political function and one having the finance responsibility along the patterns that we had in the 1968 campaign.

I assumed the chairmanship of this committee which was in existence until February 15, 1972.

At that point in time Secretary Stans left his position as Secretary of Commerce. He wished to restructure the committees in the campaign and to have a fresh start with his coming into it, so we changed the name of the committee at that point. It had been the Finance Committee for the Re-Election of President Nixon. It became the Finance Committee for the Re-Election of the President. He became the chairman of that committee. I became the treasurer.

This committee ran until the effective date of the new campaign law, which was April 7, 1972. Several days prior to April 7, probably on the 5th or 6th, was created the Finance Committee To Re-Elect the President, which was to be the principal committee in operation during the effective period of the new law.

Secretary Stans maintained the same position in that committee as chairman and I remained in the same position as treasurer.

Mr. DASH. Now, as treasurer of the Finance Committee for the Re-Election of the President, could you briefly tell us what your duties were?

Mr. SLOAN. The duties changed over a period of time. Perhaps I could describe this whole process up till the time I left.

As I indicated, in the early stages it would be an organizational one, a function of planning, recommending what the requirements would be in dollars amount for a Presidential campaign. The selection of personnel to participate in the campaign, the attempt to get qualified people who participated in the earlier campaigns to come in, a general organizational function.

As we proceeded this involved formation of various committees for receipt of campaign contributions. It involved asking people whether they would be willing to serve as chairman, as treasurer of these various committees, which totaled some 450 prior to the effective date of the law. So there was an organizational period here of seeking out people, getting people in place to be ready for a full-fledged campaign.

With the advent of the new law the decision was complicated because I think this is an unprecedented situation in a Presidential campaign where you essentially have the ground rules changed in midstream. So at this point there was a tremendous responsibility on my part to provide the organizational manuals to review the new law, to provide the instructions to the various State committees that we would set up and operate around the country in the post April 7 period. So there was a great educational function here, the banking function, of course, recordkeeping and so forth.

Mr. DASH. Mr. Sloan, I know that you have submitted a statement to the committee. Before I ask my next question, which goes further into the facts, do you wish to read this brief statement that you have submitted to the committee into the record?

Mr. SLOAN. Yes, sir, I would appreciate that opportunity.

Mr. DASH. Would you do so.

Mr. SLOAN. By way of introduction, I wish to advise this Select Committee that I served in the finance area of President Nixon's reelection campaign from March 6, 1971, until my resignation on July 14, 1972. The last position I held in this regard was treasurer of the Finance Committee To Re-Elect the President. Since the Watergate break-in, I have cooperated with all investigating authorities including the staff of this committee, the Federal Bureau of Investigation, the Federal prosecutors in Washington and in New York and the Office of Federal Elections within the General Accounting Office. I have testified before Grand Juries in Washington and in New York and testified at the trial of the persons indicted in Washington, D.C., and have also testified in a related trial in Miami, Fla. In addition, I have given extensive depositions in three separate civil cases relating to the 1972 Presidential Election Campaign and the matters which have become known as "The Watergate Affair." I stand ready to continue my cooperation and to answer all of your questions to the best of my ability.

Mr. DASH. Thank you, Mr. Sloan, and I can say for the staff of this committee that you have indeed met regularly with our staff and have cooperated with us in preparing us for your testimony today.

Now, during the period of time that you served as treasurer for the Committee To Re-Elect the President, did you handle cash contributions?

Mr. SLOAN. Yes, sir; I would have handled all of the contributions of the campaign, securities, checks, and currency, yes, sir.

Mr. DASH. With regard to cash contributions, could you give us a general idea as to the total amount that you handled and over what period this took place.

Mr. SLOAN. Yes, sir; I would say in terms of the total campaign effort up to the April 7 period, the receipts in behalf of the President's reelection in total amounted to approximately $20 million. Of that figure, my best recollection would be that $1.7 or $1.8 million came in the form of currency.

Mr. DASH. Now, am I correct that some of the cash that was received was deposited contemporaneously with receipt of the cash?

Mr. SLOAN. Yes, sir, that is correct.

Mr. DASH. Could you give us an estimate about how much that would amount to?

Mr. SLOAN. I would not say directly contemporaneously but as over a period of time certain funds were deposited. This would total approximately $400,000.

Mr. DASH. Now as to the approximate balance, having deposited $400,000 of cash, where was the rest of the cash kept?

Mr. SLOAN. Over the entire period, from March forward, at various times, it was kept in different places. At the outset, we used safe deposit boxes at the bank in which our headquarters were located, the First National Bank of Washington. At a later period, we obtained a safe, and subsequent to that, a second safe within the confines of the finance committee. At that point in time, the cash funds were moved into one or the other of these safes and at a subsequent period of time, it was shifted between them.

Mr. DASH. Could you tell us where these safes were located actually in the committee for the reelection offices?

Mr. SLOAN. Yes sir, one safe was physically in my office. The other safe was kept in the office of Arden Chambers, the secretary to Mr. Stans.

Mr. DASH. Going back to the balance of cash which was not deposited, I refer you to a chart which is just in place up on the easel to my left. Would the reporter enter this with the appropriate exhibit number?

[The document referred to was marked exhibit No. 20.*]

Could you give us an accounting of the individuals who received cash disbursements and as you do that, to the best of your knowledge, tell the committee what was the basis of that cash disbursement? Why was the money given, if you know?

Mr. SLOAN. Yes sir. Would you like me to take it in the order you have on the chart?

Mr. DASH. Yes, I think it would be an easy way to do that.

Mr. SLOAN. In the case of Mr. Kalmbach——

Mr. DASH. When you are speaking of Mr. Kalmbach, you are speaking of Mr. Herbert Kalmbach?

Mr. SLOAN. Yes, sir, that is correct.

*See p. 891.

In the case of Mr. Kalmbach, he, in a period from March 1971 up until Secretary Stans came into the campaign, was essentially my senior, from whom I took instructions. He was the principal fund raiser for the President's reelection campaign, during that period. He, over this period from March until April 7, received, to the best of my recollection, approximately $250,000 in cash. I would qualify that by saying that in raising the funds, there were occasions, and I cannot give you what proportionate amount, where we would raise the funds, not give it to me but give me the name of the donor, so in terms of my own internal bookkeeping, I would receive the funds from that individual to Mr. Kalmbach. So the entire $250,000 figure, that amount of money did not physically go through my hands.

Mr. DASH. Now, do you know of your knowledge why Mr. Kalmbach received, either by holding on to receipts of his own or by actual disbursement by you, this amount, $250,000?

Mr. SLOAN. No, sir, I have no knowledge.

Mr. DASH. Did you receive any receipt from Mr. Kalmbach concerning any money that was received by him from you?

Mr. SLOAN. No, sir. Not only in the case of cash, but in this entire pre-April 7 period, receipts just were not used in the campaign, period.

Mr. DASH. Then will you go to the next person listed?

Mr. SLOAN. Mr. Gordon Strachan, who was the political liaison between Mr. Haldeman at the White House and the campaign committee. This $350,000, Mr. Kalmbach, on a day just prior to April 7, and I am not sure of the precise date but my best recollection would be within 10 days prior to the effective date of the new law, came to me and indicated that he had had a request from the White House for $350,000 in cash, would I get that together for him. In the conversation, he indicated that he had talked to Bob Haldeman.

At some point in the same day, Mr. Strachan was present in the committee. Mr. Kalmbach indicated to me that Mr. Strachan would arrange to have this picked up. I had put the money in a briefcase and I do not believe I was there when the money was physically picked up, so I do not confirm that Mr. Strachan in fact personally picked this up. But I either turned it over to Mr. Kalmbach or to my secretary. I believe I was going out to lunch and was not there when this was picked up.

Mr. DASH. With regard to the $350,000 or any other cash, could you tell us what denominations generally the cash was in?

Mr. SLOAN. I would say generally the cash was in $100 bills, although at times, there were $50's, $20's, $10's. At one point, I think we even had some $1,000 bills.

Mr. DASH. Now, with regard to Mr. Porter.

Mr. SLOAN. I might add one further remark about the $350,000. To the best of my recollection, after having the authority from Mr. Kalmbach to do this, there was a meeting in Secretary Stans office in which he was present and I was present. I do not believe this was the subject of the meeting. I think it was a very brief reference. My recollection is that Mr. Kalmbach indicated to Mr. Stans that he had had this request for $350,000, that he had asked me to get it together. My best recollection is that Mr. Stans said fine.

Mr. DASH. Now, do you know of your own knowledge the purpose or reason for the $350,000 being sent to the White House?

Mr. SLOAN. No sir, I do not.

Mr. DASH. Go to the next person, please.

Mr. SLOAN. Mr. Herbert Porter, who was a member of the staff of the Committee to Re-Elect the President. He was in charge of scheduling surrogates, speakers for the President, in place of the President. This $100,000 covered a period probably starting in either December 1971 or January 1972. He had a blanket authority to draw cash funds from Mr. Magruder. He would come to me and indicate on various occasions, I need $10,000, would you have it ready for me.

This $100,000 is not a single disbursement. The increments of disbursement or distribution were probably in the range of $10,000 to $15,000 over a period of time, running up to April 7 and beyond. To the best of my recollection, I turned over approximately $6,000 to Mr. Porter following the April 7 date, under my understanding that these were committee funds.

In that case, he—excuse me.

Mr. Porter, I understand from his testimony to the General Accounting Office, puts the figure higher, at $11,000. So I say, this is from memory. I would not dispute his recollection. I believe he also recollects the total figure to be somewhat less.

I had instructions, and I forget from whom—possibly Mr. Magruder—that Mr. Porter would receive no further funds after April 7.

When Mr. Porter came to me with that request, I went to Mr. Stans. I asked him—I indicated to him that my clear understanding was that Mr. Porter would no longer receive any cash funds. He indicated to me at that time that that was his understanding as well, that he would take the matter up with Mr. Mitchell and let me know.

On his return, he indicated to me that I should continue making payments on request from Mr. Porter.

Mr. DASH. I think you have indicated that Mr. Porter had a blanket authority from Mr. Magruder and that later you checked or it was checked with Mr. Mitchell. Generally, who had the authority to approve your making cash payments to anybody?

Mr. SLOAN. In the earlier period, it would have been Mr. Kalmbach alone. He did not physically spend much time in Washington, D.C. He would be in and out every week or two. He would visit with Mr. Mitchell. At some point in time, fairly early, he indicated to me—and I believe that initially, it was with regard to all funds—that I was not to disburse any money without Mr. Mitchell's approval.

Mr. DASH. This is what period you are now talking about?

Mr. SLOAN. This would be prior to Mr. Mitchell leaving the Justice Department. It would be in probably the summer of 1971.

Mr. DASH. Did you check with Mr. Mitchell to get his approval on making cash payments?

Mr. SLOAN. What happened in this regard was essentially that I don't believe any cash payments came up before the authority issue was resolved. What had been done prior to my assuming the disbursement side of the campaign, going back to the Citizens Committee, when we first moved into the campaign, before there was a division of the finance and political arms of the campaign, Mr. Harry Flemming was handling the disbursement side and I was handling the receipt

side. During that period of time, he had established a procedure with Mr. Mitchell of sending down a monthly budget in writing. I inherited that procedure from him and with regard to the operating expenses of the committee, each month, I would send down to the Justice Department a memorandum outlining the projected expenses of the campaign at that point for the following month. Generally, his secretary would call back and say fine. So that anything that fell within that budget would be approved in that kind of way. Any extraordinary item, I would have to call him and call his secretary and ask him.

Mr. DASH. When you said call him, you meant Mr. Mitchell?

Mr. SLOAN. Yes, sir.

Mr. DASH. And his secretary, who would that be?

Mr. SLOAN. Miss Lee Jablonski. What was happening was that Mr. Magruder was meeting with Mr. Mitchell regularly at the Justice Department with regard to planning for the political side of the campaign. During those meetings, he evidently was discussing financial matters, expenditures, and so forth, and getting clearance from Mr. Mitchell to go ahead and make those expenses. Following the strict instructions I had from Mr. Kalmbach, when Mr. Magruder came back to me and said, this has been approved, I would turn around and call back down to the Justice Department. I understand from Lee Jablonski at that point in time that Mr. Mitchell was getting irritated about being double-teamed on the same issue and issued instructions for Mr. Magruder and I to work out the clearance authority for expenditure.

This was resolved in terms of Mr. Magruder saying to me, any time I ask you for money, you can count on the fact that this has Mr. Mitchell's clearance. Conversely, he indicated to me that anything I said with regard to the finance committee, he would assume that I had Mr. Stans' permission. Although Mr. Stans had not come into the campaign at that point, it was known he would be assuming the finance chairmanship.

Mr. DASH. Now, with regard to that $100,000, approximately, that Porter received, do you know of your own knowledge why he received that money?

Mr. SLOAN. No, sir, I do not.

Mr. DASH. Now, with regard to Mr. Liddy?

Mr. SLOAN. Mr. Liddy's situation is very similar to Mr. Porter's situation.

Mr. DASH. Talking about Mr. Liddy, who is Mr. Liddy?

Mr. SLOAN. Excuse me. Mr. Gordon Liddy was at that period of time, the time he began receiving cash payments, was general counsel to the political committee, the Committee To Re-Elect the President. At a subsequent time, he became general counsel for the Finance Committee To Re-Elect the President.

Mr. DASH. I think the chart shows a total amount of $199,000. Is that correct, to the best of your recollection?

Mr. SLOAN. To the best of my recollection, yes, sir.

Mr. DASH. Could you review very briefly how that money was paid to him and under what circumstances?

Mr. SLOAN. It was a similar type of arrangement. Mr. Porter had blanket authority from Mr. Magruder to come to me and give me a

figure of how much cash he would need. He generally, up to that time, received funds in the same type of increments as Mr. Porter received them—generally $10,000 or $15,000 at a time. There came a time when, it came very close to the April 7 date and I am not positive whether it was before or after and my best recollection would be the chart. He came to me with a budget of $250,000. He did not release that from his hand; he merely showed me the figure. He said, I will be coming to you for substantial cash payment, the first item of which will be $83 000 and I would like to pick that up in a day or two.

He said, in the case of these additional expenditures, distributions beyond what I had given him previously, he indicated that the procedure had changed, that I was to clear each and every distribution from that point on with Mr. Magruder. I called Mr. Magruder with regard to this $250,000 budget. He indicated to me that what Mr. Liddy told me was correct, that I was to go ahead and pay the $83,000 on request, but that subsequent distributions were to be personally cleared with him by telephone prior to their being made and he wanted at that time to review both the timing and the amount.

Confronted with this, I at that point in time took up with Secretary Stans. I went to see him. I indicated to him that here was a situation where we had a budget running into the post-April 7 period out of pre-April 7 cash funds. I said in my judgment, because I had been sitting on top of the total figures that it seemed to me that the cash distributions were becoming massive and that this particular distribution of $83,000 was totally out of line with anything we had done before.

At that point in time, I requested that he reconfirm to me Mr. Magruder's authority to make these kinds of decisions and he indicated to me that he would take the matter up with Mr. Mitchell.

He returned from that meeting with Mr. Mitchell and he confirmed that Mr. Magruder continued to have this authority, that I should pay these funds, and with regard to my question of concern about purpose, he said, "I do not want to know and you don't want to know."

Mr. DASH. Now, you have referred in the testimony, Mr. Sloan, to a pre-April 7 period and a post-April 7 period. So that we fully understand what you mean by that, this did refer to a new law, election law?

Mr. SLOAN. Yes, sir.

Mr. DASH. That was passed that took effect as of April 7?

Mr. SLOAN. Yes, sir.

Mr. DASH. Could you very briefly indicate that was the significance of pre-April 7 funding and post-April funding?

Mr. SLOAN. Well, the pre-April 7 period, as I understand it, from certainly the 1968 election and precedent, the interpretation had been put on the Corrupt Practices Act, that prenomination fundraising activities of Presidential candidates were not required to be reported. This made a tremendous difference in terms of the administrative overhead, how many people you had to keep track of, no requirement to have receipts. From an internal standpoint it is obviously a much easier thing to deal with. There was no disclosure.

The post-April 7 campaign election law is very stringent, has massive accounting requirements, principally in the disclosure area. It also puts restrictions on media advertising and so forth. But what it essentially meant to us as a campaign was that in the middle of a campaign we had to essentially restructure, close down 450 committees and set up a whole new structure under a whole new set of ground rules.

Mr. DASH. Now, do you know, to your own knowledge, what Mr. Liddy was doing or what right he had to receive that $100,000 you disbursed to him?

Mr. SLOAN. No, sir; I only knew he had the authority to receive it.

Mr. DASH. And, as you indicated in your testimony, that Mr. Stans confirmed that arrangement and said that you do not want to know and he does not want to know?

Did that raise any question in your mind when he said that to you?

Mr. SLOAN. Yes, sir; but I think in all fairness, to put it in the context of the time, at that point in time I would have interpreted that kind of remark, because of the continuing problems between the political and finance committee, was that he was unhappy and had essentially thrown up his hands about the loss of control over the funding. Traditionally the role has been the finance people raise it and the political people spend it. However, there is a responsibility to finance a campaign to set realistic limits of what we imagine can be raised and to provide the mechanism to monitor the expenditures of a campaign so that the expenditures will be properly paced and you will have the wherewithal in the home stretch where you need it.

I had the impression with regard to the cash funding situation that this was just a runaway situation, that he lost the argument.

Mr. DASH. While Mr. Liddy was working as a counsel to the finance committee, did he have any responsibilities with the regular Committee To Re-Elect the President?

Mr. SLOAN. Yes, sir; when Mr. Liddy came to the finance committee it was clearly understood, made known to me and to Secretary Stans, that he would be able to devote about 95–98 percent of his time to legal work for the finance committee. However, it was indicated to us that he would have continuing responsibilities with regard to the political committee which would take up a relatively small percentage of his time on special projects. It was not identified beyond that.

Mr. DASH. Now, on the chart, which is exhibit No. 20, your next item there is Mr. Magruder. Is that Jeb Magruder, who was your superior?

Mr. SLOAN. He was deputy campaign director on the political side of the campaign. I do not know how—the structures were sort of parallel.

Mr. DASH. The figure indicates $20,000 cash disbursement to him. Is that a correct figure?

Mr. SLOAN. Yes, sir.

Mr. DASH. And could you tell us briefly the circumstances of that, the payment to Mr. Magruder?

Mr. SLOAN. That was to the best of my knowledge, on his direct request to me. It would have been sometime probably early 1972, probably February or March, somewhere in that period. He did not indicate to me the purpose for which he made that request.

Mr. DASH. Now, the next name on the chart is Sandy Lankler in the amount of $50,000. Who is Sandy Lankler?

Mr. SLOAN. I believe at the time we are talking about, which would be during the early part of the campaign, I cannot pin down on this in terms of the actual disbursement, but he was at the time he came in to receive this money from Secretary Stans, he was to the best of my recollection, was the political chairman for the Republican Party in Maryland.

Mr. DASH. And did he receive $50,000 in cash?

Mr. SLOAN. Yes, sir.

Mr. DASH. And do you know, to your knowledge, what the purpose of that disbursement was?

Mr. SLOAN. I have sort of a peripheral knowledge from being there at the time it was turned over. My understanding was that this situation arose out of the fact during the pre-April 7 period we had asked everything, all funds received in the States be turned in to the national committee. Evidently, in the case of Maryland an arrangement was made, presumably between Secretary Stans and whoever the other principals were, that they were going to have a dinner for, I believe, Vice President Agnew at a later date which they knew about and, yes, they would be willing to turn all money in at this point but they would expect a loan back as seed money for this dinner and that that money would come back to us again in terms of receipts from the dinner.

Mr. DASH. Now, who is Mr. Hitt, who is the next person listed on the chart?

Mr. SLOAN. Mr. Bob Hitt, this would be in 1971, was the administrative assistant to Rogers Morton at the Department of the Interior.

Mr. DASH. And the chart indicates that he received a cash disbursement from you of $25,000; is that correct?

Mr. SLOAN. Yes, sir.

Mr. DASH. To your knowledge, do you know what that disbursement was for?

Mr. SLOAN. I am not positive that I knew precisely at the time I gave it to him but certainly in the period of attempts to get it back it was clearly indicated that those funds had been requested for the purpose of aiding in the special election for the congressional seat vacated by Rogers Morton when he assumed the secretaryship of Interior.

Mr. DASH. Just briefly, would you go down the rest of the names on the list and give a brief statement, to your knowledge, if you do know what the amount was for?

Mr. SLOAN. Mr. Len Nofsiger, at that time was probably the executive director of the California Committee for the Re-Election of the President. I am not positive that it was in cash but it is likely that it was. I had no knowledge at the time of the purpose. This would be hearsay and I have heard rumors since then from people in the campaign. This was used for some purpose with regard to the Wallace primary.

Mr. Stone, I assume, is Mr. Clement Stone. That request really was from Mr. Bob Athey, who was his political assistant. As I understand the circumstances there, Mr. Stone had made a very large contribution to the President's campaign in the pre-April 7 period. Evidently, he had indicated in the period of time where the arrangements for this were made, at which I was not present, that he intended in making his

total contribution to the national level that this would be his complete contribution for all political activities in the 1972 election year. So what this amounted to was a request from Mr. Athey for a return of a certain portion of his contribution to be used, I believe, in Illinois for a bipartisan vote-fraud committee. He had evidently made a commitment of $15,000 to that committee.

In that case I am not sure, as well as the case of Mr. Nofsiger, whether that was check or cash.

Mr. Robert Dole at that point in time was the chairman of the Republican National Committee. I do not recall how this request was made. I remember within the committee it was disputed. The funds, as I understood them, were to pay for a trip of his to Vietnam. Internally within the staff, we could not understand why we would be paying for Mr. Dole's trip.

Mr. DASH. I think the other were miscellaneous amounts and I think for the purposes of this time we do not need a full explanation of those, but would you provide the committee, I think you have the list, the specific accounting, if you have it, of the others.

Now, what I would like to do, Mr. Sloan, is move ahead to the period of June 17, 1972, which was the date of the break-in of the Democratic national headquarters. Where were you at that time?

Mr. SLOAN. At the time of the break-in?

Mr. DASH. Yes, sir.

Mr. SLOAN. I believe the break-in was in the very early hours of the morning. On the date that the news of the break-in came out, which was the 17th, I was at my office in the campaign committee.

Mr. DASH. Now, did anything occur on that date with regard to Mr. Liddy and you?

Mr. SLOAN. Yes, sir.

Mr. DASH. Please tell the committee what, if anything, happened?

Mr. SLOAN. I am not sure precisely of the timing of this but I believe it was as I came into the committee that morning, which would have been probably 9:30, quarter to 10, somewhere in that range, I believe I ran into Mr. Liddy outside of his office. I stopped him, whether merely to say good morning or whether I had a specific question of him, I really cannot recall. He was obviously in a hurry. He was essentially heading down the hall. At that point in time he made the statement to me, to the best of my recollection, that:

> My boys got caught last night; I made a mistake; I used somebody from here which I told them I would never do; I am afraid I am going to lose my job.

Mr. DASH. Did that statement mean anything to you at that time, Mr. Sloan?

Mr. SLOAN. Not right then. It was an odd statement to make obviously, but I had no knowledge at that point in time of the break-in itself. It had no real relevance. I assumed he was talking about what people do in campaigns all the time, when they make mistakes they are going to lose their jobs.

Mr. DASH. Did there come a time during the day when you did give significance to the statement?

Mr. SLOAN. Yes, sir.

Mr. DASH. When was that and what significance did you give to it?

Mr. SLOAN. It would have been at the time I received knowledge of the break-in, the fact I believe it was indicated at that point Mr.

McCord was involved. It would have been at some point after that meeting with Mr. Liddy.

Mr. DASH. On or about June 21 or 22 did you have a conversation with Mr. Magruder?

Mr. SLOAN. Yes, sir.

Mr. DASH. Could you briefly tell the committee what that conversation was about?

Mr. SLOAN. I forget all of the circumstances surrounding it. I am not positive on the dates but to the best of my recollection, this would be the general time frame, the time period. I forget, I believe he called me to his office. He indicated to me that we are going to have to—or suggested to me a figure of what I had given to Mr. Liddy in the range of somewhere $75,000 to $80,000. I do not believe at that point in time I had prepared a summary of the figures so I did not know the precise amount of money that I had given to Mr. Liddy at that point. However, I did know that the sum was considerably larger than that because Mr. Magruder himself had authorized a payment for $83,000 in one single installment.

I must have indicated to him, well, that just is not the right figure. I did not have the right figure, but that is too low. He indicated to me at that time that I said to him, he must have been insistent because I remember making to him on that occasion a statement I have no intention of perjuring myself.

Mr. DASH. What did he say to you when you said that?

Mr. SLOAN. He said you may have to.

Mr. DASH. Did you have shortly after, either on that day or any day following, a conversation with Mr. Fred LaRue?

Mr. SLOAN. Yes, sir.

Mr. DASH. Who was Fred LaRue at that time?

Mr. SLOAN. He was a special assistant to Mr, Mitchell, who was the campaign director at that time.

Mr. DASH. Could you just briefly give us the content of that conversation?

Mr. SLOAN. I believe by that point in that time there was a general awareness within the campaign that an internal investigation was going on and that Mr. LaRue was conducting it in behalf of Mr. Mitchell.

At that meeting we discussed, I believe, in general terms, and again my recollection, if the timing is right, I would not have the right figure, we were just generally discussing figures cash problems and he specifically mentioned, he asked me whether I received a $50,000 contribution from Mr. Porter and I said I had, and he said, and this would be after April 7, he said what have you done with it? I said I have done nothing because I do not know who it is from. I am waiting for Mr. Porter to give me the information. He called in Mr. Porter and this was in the context of there is going to be an external investigation, are there any remaining problems, things that could be embarrassing? I was recounting to him there were certain funds we did not have information on, we had done nothing. He called Mr. Porter in and asked him about it and Mr. Porter said he did not know, it came through an attorney in Washington, they did not want to be known, it was an anonymous contribution.

I believe at that point, whether Mr. Porter was still there or not I am not sure, I had a call from my own office from Jane Dannenhauer, my secretary, which indicated there were two agents from the FBI in my office, who would appreciate the pleasure of seeing me at that point. Mr. LaRue indicated that I do not think he should go down there without seeing John Mitchell first. He said wait here, and he went down the hall to Mr. Mitchell's office. He came back and got me and I believe Mr. Mardian was in the room as well.

Mr. DASH. You said Mr. Mardian was in the room with whom?

Mr. SLOAN. With Mr. Mitchell, I entered with Mr. LaRue in Mr. Mitchell's office.

Mr. DASH. Did you have any discussion with Mr. Mitchell at that time?

Mr. SLOAN. Yes, sir.

Mr. DASH. What was that discussion?

Mr. SLOAN. I was essentially asking for guidance. The campaign literally at this point was falling apart before your eyes, nobody was coming up with any answers as to what was really going on. I had some very strong concerns about where all of this money had gone. I essentially asked for guidance, at which point he told me, "When the going gets tough, the tough get going." [Laughter.]

Mr. DASH. Did he say anything else to you?

Mr. SLOAN. Quite frankly, Mr. Dash, that is one thing that really sticks in my mind. I think I left at that point.

Mr. DASH. Did you understand what he meant by that?

Mr. SLOAN. I am not sure I did, but I understood that I was not getting any particular helpful guidance at that point. [Laughter.]

Mr. DASH. You did go downtown; and were you interviewed at that time by FBI agents?

Mr. SLOAN. Yes, sir.

Mr. DASH. And after you were interviewed by the FBI agents, did you again see Mr. LaRue that day?

Mr. SLOAN. With regard to that interview, the FBI concern at that point in time was merely the question of identity of Mr. Alfred Baldwin and none of the questions which were bothering me at that point in time came up in the questioning.

I believe Mr. LaRue came down to my office following that interview essentially to find out what I said and what matters came up.

At that point he indicated to me that, and I do not have the precise words, the sense of the meaning as it came across to me, there was very brief reference something to the effect that the Liddy money is the problem, it is very political sensitive, we can just not come out with a high figure, we are going to have to come out with a different figure. And I said, as I recall, I said if there is a problem, I cannot see that it makes any difference whether it is $200 or $200,000, at which point he dropped the conversation.

Mr. DASH. Well, now, Mr. Sloan, apparently, you were becoming concerned. I take it that you were concerned about your own involvement in this matter?

Mr. SLOAN. Yes, sir.

Mr. DASH. What did you do about it thereafter?

Mr. SLOAN. I believe some of these events I am describing today, or a moment ago, the Magruder-Mitchell-FBI meetings probably happened on that Thursday, the 22d, because there was a party that

evening on a boat on the Potomac, with Col. Verne Coffey, who had been the Army aide to the President—and I remember my wife picking me up that day. I assume it was probably the Magruder comment to me which by that point in the day had me, to put it mildly, rather agitated the more I thought about it.

I went to this cocktail party on this boat. I guess my mood would be essentially anger. I sought out at that party a number of people. I talked to Ken Cole, Mr. Ehrlichman's assistant on the Domestic Council, Mr. Chapin, the President's appointments secretary, and Mr. Pat Buchanan, who was a speech writer for the President. I really do not remember the depth with which I expressed my concern with the problem, but I believe I was generally expressing a concern that there was something very wrong at the campaign committee.

Mr. DASH. As a result of that concern, did you in fact have any meetings with Mr. Ehrlichman or Mr. Chapin?

Mr. SLOAN. Yes, sir; Mr. Cole indicated to me that night that I was expressing to him and to Mr. Chapin that I felt that John Ehrlichman and Bob Haldeman should be aware that there was a problem. I do not—in the case of Mr. Chapin—I do not know whether I specifically requested a meeting with Bob Haldeman. I indicated to him that Bob should have this knowledge. He asked me to come see him the next day at noon.

Ken Cole, the next day, called me at some point—I do not know whether he called me himself or somebody in his office, but that John Ehrlichman would like to see me at 2 o'clock that afternoon.

I went to the Chapin meeting. I again—there has been a year here. I do not precisely know what degree of knowledge or what conclusions I had come to at this point. But I believe probably the tone of the conversation was that there is a tremendous problem there, something has to be done.

Mr. Chapin evaluated my condition at that point as being somewhat overwrought and suggested a vacation, which in fact, I was planning to leave on the next week. It had been planned for a long time. He suggested that the important thing is that the President be protected.

In the Ehrlichman meeting——

Mr. DASH. When did that occur?

Mr. SLOAN. That happened around—I believe it was a 12 o'clock meeting on the 23d.

The Ehrlichman meeting—it would have been a Friday. In the Ehrlichman meeting at 2—I started into generally the same discussion of problems.

Mr. DASH. Mr. Sloan, when you say problems, did that include any statements by you about cash disbursements that had been made to Mr. Liddy?

Mr. SLOAN. I do not believe I at that point in time was pointing fingers. I do not believe I mentioned the Magruder remark, I do not believe I mentioned the money to Liddy or the Liddy remark. I just said I believe somebody external to the campaign has to look at this because it raised in my mind at that point possibility of the entire campaign being involved and it——

Mr. DASH. What was Mr. Ehrlichman's response?

Mr. SLOAN. I believe I expressed my concern, my personal concern with regard to the money. I believe he interpreted my being there as personal fear and he indicated to me that I had a special relationship with the White House, if I needed help getting a lawyer, he would be glad to do that, but do not tell me any details; I do not want to know; my position would have to be until after the election that I would have to take executive privilege.

Mr. DASH. Now, Mr. Sloan, on that same day, on June 23, did you make a final report to Mr. Stans concerning your cash disbursements and at about that time, did you discuss with Mr. Stans what should be done about the balance of the cash remaining in the safe?

Mr. SLOAN. Yes, sir.

Mr. DASH. Would you please give the committee a brief report on that?

Mr. SLOAN. Since April 7, Secretary Stans had been pressuring very hard on myself for the preparation of records in the final form that he wanted them as the permanent record of the pre-April 7 period. This was a very mammoth task with regard to all the contributions and so forth that had been received at that point; the problem with producing a cash summary, a summary of all the cash funds that had been handled. When I submitted them to him in an earlier report close after April 7, he wanted to be sure that I went back to every individual on that list and verified with them personally that they acknowledged the amount of money on that list as having been received by themselves, so that there would never be an internal conflict or possibility of somebody saying somebody absconded with some funds. So this took a considerable period of time and the reason for the delay until this late date with regard to this process was that Mr. Herbert Kalmbach—he had been traveling in Europe during this period and this was the first occasion I had to sit down with him since his return and since he had been able to come to Washington to review the figures on that list, the receipts he had from me.

Mr. DASH. But you did on this day give this final report to Mr. Stans?

Mr. SLOAN. Yes sir, I did.

Mr. DASH. Did it show a cash balance still in the safe at the office?

Mr. SLOAN. I could not recollect the final form of this. The problem with the cash balance is that it included $18,000, with presumably a balance left over out of the Liddy commitment. There was another $63,000—the 50 I had mentioned before of funds that had come in from the people on the political side of the campaign, who had accepted the contribution on the basis that they would remain anonymous. We did not have the information. We could not accept them that way. We would have to know, for instance, from a $10,000 contribution what four committees that was to go to. These were pending problems, whether to go back to the individuals, whether they wanted their money back or whether they were willing to be disclosed and give us the information we needed.

Mr. DASH. Do you know approximately how much money was left in the safe at that time?

Mr. SLOAN. Oh, yes, approximately $81,000.

Mr. DASH. Did Mr. Stans make any statement to you concerning that $81,000?

Mr. SLOAN. Yes, sir, he did.

Mr. DASH. Would you tell us what he said?

Mr. SLOAN. He indicated that he was aware I was leaving with my wife on vacation to Bermuda on Sunday. He indicated to me that he feared a General Accounting Office audit, that these were pre-April 7 funds, it was none of their business. He thought this might occur when I was in Bermuda and suggested he asked me whether I had a safe at home that I could put the funds in. I said no, I did not, that I had no secure place. He said, in that case, you had better take half and I had better take half. So I took half, approximately $40,000, home with me that day.

Mr. DASH. What did you do with that $40,000?

Mr. SLOAN. I put it in a trunk.

Mr. DASH. And to your knowledge, did Mr. Stans also take $40,000 with him?

Mr. SLOAN. I understood he took $40,000. He has since told me that he never took it out of the office.

Mr. DASH. On that same day, did you receive a telephone call from Mr. Mardian?

Mr. SLOAN. That would be the next day, I believe, the 24th, a Saturday.

Mr. DASH. On Saturday, the 24th, did you receive a call from Mr. Mardian?

Mr. SLOAN. Yes, sir.

Mr. DASH. Would you tell us what Mr. Mardian said to you on the telephone?

Mr. SLOAN. I was at home, not planning to go in that day, it was a Saturday. He called and asked if I would come in to see him. It was around 11 o'clock. I had trouble finding him.

I believe I went down and found there was a meeting going on in John Mitchell's office. I talked with Mr. Mitchell's secretary, I believe Lee Jablonski at that time, and asked whether Mr. Mardian was there. She went in and got him.

Mr. Mardian and I went back to Mr. Mardian's office. He asked me, he said, we really have to get into this money thing. He said, where did all the money go?

At that point in time, I had just prepared the permanent record for Mr. Stans, so I had a very good fix in my own mind of what the magnitude of the distributions were. I started—I do not know whether we went through the entire list. The focus was very much in the Liddy-Porter area. When he got to Mr. Liddy, he blew up, staggered by the amount. He said, "God damn, Magruder lied to John Mitchell. He told him it was only $40,000."

We continued on beyond that point and covered the ground, the information requested from me. I indicated to him, asked him whether under these circumstances, with known investigations underway, whether I should proceed with my plans to take a vacation. I had promised my wife, who was pregnant at that point, it had been long-standing. He said, well, I do not know. Why don't you go home and pack as if you were prepared to go and I will give you a call tonight.

He gave me a call later that evening, probably around 6 o'clock, and said, why don't you go ahead.

Mr. DASH. Now, you did go to Bermuda?

Mr. SLOAN. Yes, sir.

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Mr. DASH. Was that on June 25?

Mr. SLOAN. Yes, sir.

Mr. DASH. When did you return?

Mr. SLOAN. It would be on July 3.

Mr. DASH. On or about July 4, did there come a time when you did something with the $40,000 that you had taken home with you?

Mr. SLOAN. Yes, sir. I was at home and got a call from Fred LaRue, who indicated to me that he was aware that I had this cash in my possession and would I bring it in to him, which I did, and returned home.

Mr. DASH. Did you learn from Mr. Stans whether he did likewise?

Mr. SLOAN. Yes, sir. I believe—I am not sure what his travel schedule was, but I believe the first opportunity, probably the next day, I indicated to Mr. Stans that I had had this call. I assumed Mr. LaRue must have talked to Mr. Stans to know that I had it. I asked Mr. Stans was this in fact what he wanted me to do with it? He said: "Yes, that is precisely right, that is what I did with mine."

Mr. DASH. On the next day, July 5, did Mr. Magruder get in touch with you again?

Mr. SLOAN. Yes sir.

Mr. DASH. Could you tell us briefly what he wanted to talk to you about and the circumstances of that conversation?

Mr. SLOAN. If I can go back for a minute to the earlier Mardian meeting before I went to Bermuda, because it is pertinent to this particular item. I on that occasion had indicated to Mr. Mardian that Mr. Magruder had made this suggestion to me that it might be necessary to perjure myself, and I had indicated to Mr. Mardian at that point in time—I understood Mr. Mardian essentially to have taken over the investigation from Mr. LaRue at this point. I said I just did not want to have any further dealings with Mr. Magruder if things are going to be done that way.

By way of background, during the period of time I was in Bermuda, Mr. Mitchell's resignation was announced, Mr. Liddy's resignation had been announced. My reaction to that announcement, particularly Mr. Mitchell's, was that, well, somebody was taking action and was probably cleaning out the committee and starting over, as should be done.

I had a call from Mr. Magruder during the day, on the 5th of July. He said he wanted to get together with me, would I like to do it then, would I like to have a drink with him after work. It was a very busy day, since I had just gotten back. I said, well, let's do it after work.

We went to the Black Horse Tavern, I believe. He had dinner and I just had a cocktail because I was expected at home.

He said, you know, we have to resolve this Liddy matter. He said, what we should do is you and I should go down to see the U.S. attorney, Mr. Harold Titus. He said, I will tell Mr. Titus that I authorized the payments to Mr. Liddy and you merely have to confirm the fact that you did make those distributions under my instructions.

Then he said, but we have to agree on a figure. This time, the figure was even less than the time before; it was $40,000 or $45,000.

No resolution was made on that occasion.

Mr. DASH. What did you say to him?

Mr. SLOAN. I was a little flabbergasted, I guess, and I just told him I would think about it and let him know the next morning.

Mr. DASH. Did you meet with him the next morning?

Mr. SLOAN. Yes, sir.

Mr. DASH. What happened at that time?

Mr. SLOAN. I told Mr. Magruder when I saw him in his office, I believe I said I had absclutely no objection to going down to see the U.S. attorney; however, you know, if I am asked point blank, did Mr. Liddy ever receive $45,000, of course, I will say yes. But I said, I will not stop there. If I am asked more than that, I will also say yes. If he asks what the total figure is, I will tell him to the best of my knowledge.

Mr. DASH. Did Mr. Magruder say anything when you told him that?

Mr. SLOAN. He just sort of said, fine, and dropped the subject He never suggested going down to Mr. Titus again.

Mr. DASH. Did Mr. LaRue meet with you shortly after that?

Mr. SLOAN. Yes, sir; I believe it was practically on the way out of Mr. Magruder's office. He took me by the arm and pulled me into an adjoining conference room and said, did you and Jeb get together?

I said, well, we had a discussion last night and one just now. He said, did you decide on the figure?

I told Mr. LaRue precisely what I told Mr. Magruder, and he dropped the subject.

Mr. DASH. Now, the next day, on July 6, did you have a meeting with Mr. Parkinson and Mr. O'Brien, who were the attorneys for the Committee for the Re-Election of the President?

Mr. SLOAN. Yes. This would be the evening of the day of the Magruder-LaRue meeting.

Mr. DASH. The same evening?

Mr. SLOAN. Yes, sir.

Mr. DASH. That would be July 6, is that correct?

Mr. SLOAN. Yes, sir; that is correct.

Mr. DASH. What was the purpose of that meeting?

Mr. SLOAN. A considerable period of time had gone by since the Watergate break-in. I was amazed, one, that I was not, had never met or been asked any questions by the counsel for the committee that had, in the interim, been hired to handle this problem.

Additionally, a civil suit had been filed by this time. The grand jury was active—I believe nine of the people who worked for me had been subpenaed that day. It was obvious to me that I would be subpenaed shortly. And I really just wanted to find out what the score was, because no one was saying anything.

I went to Mr. Parkinson and O'Brien——

Mr. DASH. What are their full names?

Mr. SLOAN. Mr. Kenneth Parkinson and Mr. Paul O'Brien. I believe at the time I sought them out, they were essentially in a debriefing process of people who had been before the grand jury. Mrs. Hoback was there.

Mr. DASH. Who is Mrs. Hoback?

Mr. SLOAN. She is a bookkeeper of the finance committee that had worked——

Mr. DASH. Did you at that time tell Mr. Parkinson and Mr. O'Brien about the cash distribution?

Mr. SLOAN. Yes, sir. Mr. Robert Odle was also there. I had asked anyone else to leave the room; I wanted to talk to the attorneys alone.

I recounted as fully as possible all the facts that I then had with regard to the money, also with regard to the Magruder continued suggestions of agreeing to a different figure.

Their reaction was incensed; they were angry.

Mr. DASH. At you?

Mr. SLOAN. No, sir.

Mr. DASH. At whom were they incensed or angry?

Mr. SLOAN. They said, "Well, we have been lied to by the people here. We have not even been able to see John Mitchell and we are a month into this thing." They seemed to have an extreme frustration about the information I had given them at that point. It was certainly my judgment that they, from their reactions, that they had not heard any of the critical information before from anybody and it had been told to other people within the campaign.

Mr. DASH. Did they suggest you might take a little trip?

Mr. SLOAN. Yes, sir. They indicated that they felt under these circumstances, this new information that they had available to them, that they needed the time to confront the other officials of the political campaign with the information they then had.

Senator BAKER. Mr. Dash, just a minute. I have lost track of who "they" are. We have said "they" about three times. Who was there?

Mr. SLOAN. It was never identified.

Senator BAKER. All right, would you tell us who "they" are?

Mr. SLOAN. I do not know. This was the comment of the lawyers. They said they had been lied to by those officials. They did not identify those officials to me.

Senator BAKER. I see. Do you know who they are now?

Mr. SLOAN. No, sir.

Senator BAKER. Thank you.

Mr. SLOAN. They asked if I had any legitimate business I could do. We were working with 50 State committees and I said, there are always things you can do in the field. It turned out that Mr. Stans was on a trip at that point on the west coast. They suggested that I might join him and follow through that next week with him until they should contact me.

They did say that, you know, we are in no position to tell you to go.

Mr. DASH. Now, later that evening, did you receive a telephone call?

Mr. SLOAN. Yes, sir. They said, we will take this matter up with individuals on the political side of the campaign and you will get a call from someone in the political organization asking you to go to California tonight.

Mr. DASH. Did you in fact get a call that evening?

Mr. SLOAN. Yes, sir, from Mr. LaRue.

Mr. DASH. From Mr. Fred LaRue?

Mr. SLOAN. Yes, sir.

Mr. DASH. What did he say to you on the telephone?

Mr. SLOAN. I don't recall precisely, but he impressed on me the urgency of departure, to the extent of suggesting that I had a reservation on, I believe, a 6 a.m. flight at Dulles. He urged me to take a room at the Dulles Marriott that evening and to leave my home immediately.

Mr. DASH. Now, you were in California from a period of July 7 through July 12; is that true?

Mr. SLOAN. Yes, sir.

Mr. DASH. Now, when you returned, did you have a meeting with Mr. LaRue again on July 13?

Mr. SLOAN. Yes, sir.

Mr. DASH. Would you just briefly tell us where that meeting took place and what the conversation was about?

Mr. SLOAN. At the Watergate restaurant.

Mr. DASH. Was there any significance to your meeting at the Watergate restaurant?

Mr. SLOAN. I thought it was somewhat black humor, but he evidently resided in the Watergate himself.

Mr. DASH. What was the conversation about, Mr. Sloan?

Mr. SLOAN. I have really forgotten how we led in. He had asked me to come back, I believe it may have been the following morning. The attorneys asked me to come back a day early. I left Mr. Stans in Des Moines, had lunch with Mr. LaRue. We began to review the entire situation.

I said—I think what he was doing was reviewing the options that might be open to me. He, I think, impressed on me at that point that I might have some campaign law problems; that I ought to think perhaps about taking the fifth amendment with regard to any testimony that might be forthcoming. I had been thinking about this whole subject for quite awhile on this trip and I said—told Mr. LaRue—I said, you know, it is obvious to me that there is a climate of suggestion and I cannot relate it to specific conversations of either—well, in the case of perjury, I can with Mr. Magruder, but with regard to taking the fifth amendment, I cannot. But it was obvious to me that I should take one of those two courses of action to essentially stay in the good graces of the campaign organization. I indicated to him that I was prepared to do neither, that I felt I should tell the truth and if I had problems, I would have to face them. I said I think it is in the interest of everybody under those circumstances for me to resign. I said, I can see no way, for instance, that I can accept the advice of counsel of a committee that has a clear responsibility to represent an organization; they cannot represent my personal interests down the road. To me there was an obvious conflict of interest developing.

Mr. DASH. What did Mr. LaRue say when you mentioned that to him?

Mr. SLOAN. He said that he would not fight me on the subject. He said, "Well, it might be in the best interests of everybody. I will check with the political side of the campaign and why do you not check with Maury Stans?" Mr. Stans was due back the next morning. I said, "Well, I will go in and see him in the morning." He said, "No, why do you not call him tonight?" I did call Mr. Stans that evening and I said I had lunch with Fred LaRue and under the circumstances I think I ought to consider resigning and he said: "Wait a minute; let us not discuss this on the phone, I will be in the office [laughter] I will be in the office in the morning, but do not come in because I have a meeting with the Federal Bureau of Investigation. You will have a call from my office following that meeting." I went in the next morning, saw Mr. Stans, was advised at that time that he had already informed the Federal Bureau of Investigation that I had in fact resigned.

Mr. DASH. You had not resigned at that time, had you?

Mr. SLOAN. No, sir. I had every intention of resigning.

I went to my office and wrote up a pro forma resignation, a letter, which stipulated personal reasons, and left the committee and began seeking a lawyer.

Mr. DASH. You did in fact retain counsel?

Mr. SLOAN. Yes, sir.

Mr. DASH. About when did that occur?

Mr. SLOAN. The same day.

Mr. DASH. And your present counsel who now appears with you?

Mr. SLOAN. No, sir.

Mr. DASH. Who did you retain?

Mr. SLOAN. Mr. Ed Tappich.

Mr. DASH. What did you do shortly thereafter?

Mr. SLOAN. Excuse me, I missed your last question.

Mr. DASH. Did there come a time when you did retain Mr. Stoner?

Mr. SLOAN. Yes, sir.

Mr. DASH. Did you shortly after your resignation, and could you give us the date, go to see the U.S. attorneys, assistant U.S. attorneys, Mr. Silbert, Mr. Glanzer, and Mr. Campbell?

Mr. SLOAN. Yes, sir.

Mr. DASH. Were you with your counsel at that time?

Mr. SLOAN. Yes, sir.

Mr. DASH. Did you report to them generally all that you have been testifying to here in terms of activities, the cash transactions and the approaches that were made to you by Mr. Magruder?

Mr. SLOAN. Yes, sir.

Mr. DASH. What date was that?

Mr. SLOAN. I believe the first time I met together with Mr. Stoner, Mr. Silbert, Mr. Campbell, and Mr. Glanzer was probably July 20. Mr. Stoner had met with the attorneys prior to the time——

Mr. DASH. And it is your testimony that principally everything that you have testified before us is about what you gave to the U.S. attorneys at that time?

Mr. SLOAN. Yes, sir.

Mr. DASH. And did you testify before the grand jury?

Mr. SLOAN. Yes, sir.

Mr. DASH. And what date did you testify before the grand jury?

Mr. SLOAN. July 31.

Mr. DASH. And was your testimony before the grand jury principally based on what you have testified before this committee?

Mr. SLOAN. Yes, sir.

Mr. DASH. And did it focus on the efforts of Mr. Magruder to ask you to agree on a term of money that was given to Mr. Liddy and indeed, to commit perjury?

Mr. SLOAN. Yes; I would say approximately half of my grand jury testimony related to Mr. Magruder's approaches to me.

Mr. DASH. I have no further questions, Mr. Chairman.

Mr. THOMPSON. Mr. Sloan, is my understanding correct that your testimony essentially is that you played no part in determining how funds would be spent or how funds would be allocated, but merely was a conduit for the handling of the funds, that someone else made the determination; is that correct?

Mr. SLOAN. Yes, sir; with the cash funds and generally with other funds, with the one obvious exception of the operating budget of the

finance committee itself. Its own expenditures were controlled by the finance committee.

Mr. THOMPSON. Did you ever, on any occasion, inquire of the people who you were dealing with, people you were giving money to, as to what they were doing with the money, out of personal curiosity, if nothing else?

Mr. SLOAN. I believe very early on—when Mr. Porter made a request, after he had this blanket authority, out of curiosity, I said what is it for? He said I cannot tell you, you are going to have to go to Mr. Magruder or go over my head if you want to find out.

Mr. THOMPSON. Did you go over his head?

Mr. SLOAN. No, sir.

Mr. THOMPSON. Was this after April 7 or before?

Mr. SLOAN. This was very early 1972.

Mr. THOMPSON. Very early 1972?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. Talking about Mr. Porter just a minute, I believe you said after April 7 it was your understanding he was not to get any more money?

Mr. SLOAN. Yes, sir; I had been told that.

Mr. THOMPSON. Why was he not to get any more money after April 7? Obviously, that was the effective date of the new Campaign Spending Act. What was the significance of that?

Mr. SLOAN. I would guess that whatever projects or whatever the funds were for that project had terminated. I do not know, that would be just my best estimate. In general, however, the cash funds, Secretary Stans, when we came up to the April 7 date and we were making these massive transfers of funds from all of these other committees, at the same time, we were trying to put any cash balance of pre-April 7 money into a bank account, as a practical matter, it takes quite a while to sit down with the bank and count out $100,000 in a verified amount. I got in the situation where I had more work than I could handle and we were not going to meet the deadlines which kept pushing on the cash. Secretary Stans, at that point, when I presented him with the problem, he said there is no problem here because I have read the law. The law clearly states funds do not have to be in a bank account, in any repository, of which a safe is one. He said I will tell you at a later date what of these cash funds we will be carrying forward as a transfer of funds from pre-April 7 committees to post-April 7 committees. But he did say he wanted to be sure that this deposit was made to a post-April 7 committee before the end of May, which was the cutoff point for the first filing requirement of the new law, because he indicated to me that he wanted to be sure that every single contribution in the post-April 7 period went through a bank account so that there would be a clear audit trail in front of the new law which the General Accounting Office did have the right to inquire into; he wanted to have a very precise accounting within the ground rules of the new law.

Mr. THOMPSON. Would it also be a reasonable interpretation that whatever Mr. Porter was doing with the money that he did not have to disclose—the committee did not have to disclose what he was doing with the cash before April 7 but would have to disclose what he was doing after April 7, and they did not want to do that, and that might be the reason for terminating his activities?

Mr. SLOAN. Well, I anticipated when we came up to April 7 that all cash funds would cease, period. For this precise reason——

Mr. THOMPSON. But they did not, did they?

Mr. SLOAN. That is correct. In the case of Mr. Porter, Mr. Liddy and, I believe, I am not positive, the payment to Mr. Lankler, came after April 7.

Mr. THOMPSON. Were all of these reported or——

Mr. SLOAN. Excuse me?

Mr. THOMPSON. Were they reported or were they previously committed?

Mr. SLOAN. No, sir, I was told by Secretary Stans the figure to be deposited was $350,000. I considered the balance of funds, pre-April 7 funds, that had not been transferred to the post-April 7 committee, were essentially internal committed prepayments to the individuals involved. Just as we similarly—in a cash area—we made a political decision that on April 7, when we liquidated the assets of pre-April 7 committees, we had very successful fund raising, something like $20 million and we may have spent four or five up to that point. We wanted to redound the cash balances that would be carried forward essentially, so we would not have the obvious fund raising problem of sitting pretty and having a big bank balance. Under the legal advice we decided that on our cash accounting system that prepayments would be legal actions under the terms of the old law. In other words, take one example. A million dollars was paid to a direct mail firm on April 6. Clearly those benefits from that money redound to the benefit of a campaign after April 7, but this was done, I was present at the meeting, and I believe there was a written legal brief to justify this practice. I considered the cash fund in precisely the same category.

Mr. THOMPSON. We are talking about the previous commitments concept; are we not really talking about commitments to the committee and also commitments by the committee, it works both ways, contributions on the one hand and expenditures on the other hand? These things had been committed before April 7.

Mr. SLOAN. I do not think in the contribution, I do not think that question came up quite that way. I think in most cases contributions that came in after April 7, they physically left the hands of the donor, although they were delayed in transit.

Mr. THOMPSON. Without getting into this, which we will probably get into on a subsequent occasion, would that be true of Vesco money, Dahlberg's check?

Mr. SLOAN. Yes; all the funds I received with the exception of $63,000 we referred to before, when they were turned over to me were represented to me as being pre-April 7 contributions.

Mr. THOMPSON. Who made the determination as to whether or not these funds actually were committed before April 7?

Mr. SLOAN. I essentially was operating blind. I was operating under the instructions of Secretary Stans as to what was being carried forward, therefore, the balance has to fall in the other category.

Mr. THOMPSON. As far as you know, he was making the determination as to whether or not any particular funds were previously committed?

Mr. SLOAN. I do not know who made that determination. I would assume it would have been on the political side of the campaign. All I can really tell you is that these were the assumptions I operated on

at that time. In light of what has happened today, those assumptions may very well be not correct.

Mr. THOMPSON. Did you understand what the criterion was, was it as to whether or not the money had actually left the hands of the donor? You mentioned that.

Mr. SLOAN. Most of the discussion abut this really came up after the fact and after the problem in the whole question of constructive receipt. As far as my handling of the funds; any time I was given money I was simply told this is pre-April 7 money. It was not discussed in those terms. The Vesco matter, I understand from other testimony, was physically turned over to me on April 10. My assumption was in that case that John Mitchell had had it before. I was not given any of the information surrounding it because it was presented to me as being from John Mitchell and the name was not given to me at that point.

Mr. THOMPSON. What did you say your function or role was in 1968?

Mr. SLOAN. At this time titularily it was assistant finance director but that was a carryover from the Republican Finance Committee in terms of the Presidential campaign. My duties were restricted to a project basis, running the thousand dollar nationwide.

Mr. THOMPSON. Did you have any access to figures concerning cash contributions or cash inflow in the 1968 Presidential campaign?

Mr. SLOAN. No, sir.

Mr. THOMPSON. To make a comparison between the two campaigns with regard to cash——

Mr. SLOAN. No, sir, that is not anywhere a comparable situation.

Mr. THOMPSON. You have stated here, stated just previously that in the staff meetings you had made attempts to get these outlays of money to Mr. Liddy and Mr. Porter, and others verified, and I believe in Mr. Liddy's situation it was in the budget, you checked with Mr. Magruder and he OK'd it and you went further and checked with Mr. Stans and he said Mr. Magruder had the authority from Mr. Mitchell.

As far as Mr. Porter is concerned, you checked again with Magruder and I believe you checked again with Mr. Stans, who, I believe, again said Mr. Mitchell said that it was OK; is that correct?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. With regard to the $350,000, of course, that was ordered cleared by Mr. Stans. We know now—the speculation is—and we have some testimony with regard to how some of that money was spent that you were giving out at that time, Mr. Liddy, $199,000, allegations concerning the $350,000 being coverup money, and all these allegations—you were the man who had the money and yet you were doing everything you could, evidently, to check and double check the situation to see that it was properly spent.

Could you enlighten the committee as to how this could be prevented? Could there by any structural changes inside the campaign political organization to prevent this, or does it depend on the good judgment of the people involved?

Mr. SLOAN. I think in terms of, one of the biggest problems I think was the fact we had a change in the law.

Mr. THOMPSON. Change of what?

Mr. SLOAN. A change of campaign law in the middle of the campaign. I think that probably created, assuming the allegations are

correct, an opportunity to abuse that transition period. I do not know how you can ever avoid——

Mr. THOMPSON. What kind of difficulties did that cause, what kind of opportunities did that present?

Mr. SLOAN. I think this whole question of prepayment and so forth is you really don't have any choice in a way in terms of political context to go that far. There is an obvious political advantage to it, but you would have had to make that decision.

Mr. THOMPSON. There was no objective standard?

Mr. SLOAN. There is no precedent for it. I think as far as individuals handling cash in a campaign, I don't know of anything that could prevent individuals from doing that unless you just outlaw cash but they may do it anyway.

Mr. THOMPSON. Let me ask you one or two other lines of questioning. You mentioned you went to Mr. Ehrlichman after the break-in, with your concerns, and he in effect said he did not want to hear the facts at that time; is that correct?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. Statements have been made publicly to the effect that Mr. Ehrlichman at one time told Mr. Dean to make a report about this matter. Did Mr. Dean ever contact you from June 17, 1972, up until the time he left the White House, about the Watergate matter?

Mr. SLOAN. I had numerous conversations with Mr. Dean over a period of time, but with regard to your specific question, in terms of an investigation, I would have to describe the transmittal of information essentially as my forcing it on him, rather than him soliciting it from me.

Mr. THOMPSON. Another point. Did I understand your testimony correctly that you told three prosecutors in the criminal case on July 18 that Magruder had attempted to get you to perjure yourself?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. All three of them?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. In the same room at the same time?

Mr. SLOAN. Yes, sir; in the presence of counsel.

Mr. THOMPSON. Your present counsel?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. Did they have a reaction to this at that time?

Mr. SLOAN. I think they were disturbed by it. I cannot characterize their reaction but I think they were disturbed by the whole thing.

Mr THOMPSON. The trial was the following January and you were a witness at that trial.

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. You told about the $199,000.

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. Mr. Magruder was also a witness at that trial, a prosecution witness, was he not?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. What was the atmosphere? You knew what you told the prosecutors, did you have any further conversation with the prosecutors, did you have any further conversation with Mr. Magruder about the situation? What was the atmosphere over there during

the trial when both of you were being used as Government witnesses to prove the Government's case.

Mr. SLOAN. I don't believe I have seen Mr. Magruder except on the day of the trial where we were put in the same witness room.

Mr. THOMPSON. Who was called first?

Mr. SLOAN. I believe it was Mr. Magruder, Mr. Porter, and then myself.

Mr. THOMPSON. Go ahead.

Mr. SLOAN. There really was no conversation with Mr. Magruder.

As to the prosecutors, I don't recall any further discussion about that aspect of it. My assumption is that they got into a situation where here is one man's word against another, no one else was present, they have no corroborative evidence, they can't do anything.

Mr. THOMPSON. Do you know whether or not they confronted Mr. Magruder?

Mr. SLOAN. I have no knowledge. Excuse me. Indirectly I have knowledge that that issue came up, yes, sir.

Mr. THOMPSON. Could you tell us what you know about it?

Mr. SLOAN. Sir, following my appearance before the grand jury, prior to Mr. Magruder's appearance before the grand jury, Mr. Mardian and Mr. Paul O'Brien requested that my attorney at that time, Mr. Treese, Mr. Stoner was out of town, meet with them at the committee headquarters. They requested at that point in time information as to what I told the grand jury precisely with regard to Mr. Magruder and I said I have no hesitancy at all, I would tell it to his face. I told them they already knew because I told Mr. O'Brien before. I was very surprised at the request.

Mr. THOMPSON. You went ahead and told them?

Mr. SLOAN. I told Mr. O'Brien originally.

Mr. THOMPSON. I assume you told the grand jury the same thing that you told the three prosecutors?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. About Mr. Magruder?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. What was their reaction when you told Mr. O'Brien?

Mr. SLOAN. You mean initially?

Mr. THOMPSON. No; after you told them what you told the grand jury about Mr. Magruder.

Mr. SLOAN. I believe Mr. O'Brien's comment quite frankly was, "I do not know what the hell Jeb is going to do but you have to give the guy a fighting chance."

Mr. THOMPSON. One question and I will leave that for further inquiry. Are you saying that after this initial meeting with the three prosecutors you talked to them about it?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. And told the grand jury?

Mr. SLOAN. That was after my grand jury testimony.

Mr. THOMPSON. That was after your grand jury testimony?

Mr. SLOAN. Yes, sir.

Mr. THOMPSON. Was this in response to a specific question or did you volunteer this information?

Mr. SLOAN. They asked us directly would we tell them what we had told the grand jury about Mr. Magruder's approaches to me and es-

sentially I believe our response was you already know because I told you initially.

Mr. THOMPSON. Excuse me, I am talking about before the grand jury.

Mr. SLOAN. Yes, sir, what I told the grand jury was essentially what I had told the prosecutors. It was also the same thing I told Mr. Parkinson and Mr. O'Brien originally.

Mr. THOMPSON. I am sorry, I think I misunderstood you. Did you tell the grand jury first or did you tell the three prosecutors first?

Mr. SLOAN. Talked to the three prosecutors first and then the grand jury and then the meeting with Mr. Mardian and Mr. O'Brien.

Mr. THOMPSON. I believe you said the $25,000 to Mr. Hitt was a loan.

Mr. SLOAN. I am not sure I knew that at the time and I cannot recall who instructed me to make the payment.

Mr. THOMPSON. Was there ever any attempt, if you understand that to be the case now, was there ever any attempt to collect that loan?

Mr. SLOAN. Yes sir; I think this is really where my knowledge came from. Mr. Lee Nunn, who is one of our vice chairmen, who was involved in this when Secretary Stans came in February. When he was reviewing the status of the campaign we had run prior to his coming in, I had mentioned to him one of the open items at that point was what I understood to be a loan, this $25,000, and he said "well, let's get it back," and I believe I said I do not know all of the arrangements but Lee Nunn was involved in it. Mr. Nunn, I believe, was called in at that point to Mr. Stans' office and he said, "yes, I have tried." The campaign had been long over. I believe at that point he said Bob Haldeman made the deal, let him get it back.

Mr. THOMPSON. Mr. Nunn said Bob Haldeman made the deal?

Mr. SLOAN. That is my best recollection, he indicated there had been a conversation between——

Mr. THOMPSON. Did you understand that meant Haldeman ordered that the loan be paid?

Mr. SLOAN. I am not sure in my recollection whether that is indirectly where the request came from.

Mr. THOMPSON. Do you know what it was used for?

Mr. SLOAN. No, sir.

Mr. THOMPSON. General campaign?

Mr. SLOAN. Well, the knowledge I had was that it was something to do with the special election.

Mr. THOMPSON. When did you understand, according to the phraseology, that the deal had been made and the money had in fact been delivered?

Mr. SLOAN. I am not sure. There had been some discussion back and forth. This was negotiated over a period of time. I believe Mr. Nunn and myself both felt strongly that here we essentially were taking money that had been given to the President's campaign, giving it to a congressional race, and you have a problem of obvious precedent when you come up in the 1972 campaign.

Mr. THOMPSON. Mr. Haldeman did, in fact, have something to do with his getting the loan?

Mr. SLOAN. That is my understanding, but it is secondhanded

Mr. THOMPSON. I was wondering when—if you can shed any light—first of all back in 1971?

Mr. SLOAN. Oh, I am sure it is 1971. I believe it can be pegged whenever—I would suspect it was a few days or a week before the election, whenever precisely that was. But I am sure it was 1971.

Mr. THOMPSON. That is all I have, Mr. Chairman, of Mr. Sloan.

Senator ERVIN. In view of the fact that Senator Talmadge is the floor manager of the Agriculture bill which is the pending order of business, I am going to waive my right to question the witness. I am going to swap with Senator Talmadge.

Senator TALMADGE. Thank you, Mr. Chairman.

Mr. Sloan, I get the impression that you are a forthright and candid man from your answers and your response to the questions that have been asked this morning. Exactly what were your duties at the finance committee?

Mr. SLOAN. It varied somewhat over different periods of time, Senator. In the very early periods of the campaign, it was really an organizational function, setting up the multiple committees that allow gift tax distribution of contributor's contributions, organization work, hiring of people, staffing out, budget planning. As we went on later on, it involved the banking of the bank accounts. When we came up to April 7, when we got into this new law period, just prior to that, we hired a full-time, qualified CPA—I am not an accountant myself—to handle the new law period, the increased volume of administration. I would say although at that time, though I carried the title of treasurer, most of my duties were administrative and liaison with various State committees, educating State committees on the new law requirements.

Senator TALMADGE. I assume you are familiar with the Campaign Disclosure Act that went into effect on April 7 of that year and at that time, all income and disbursements had to be very stringently reported. Are you aware of that fact?

Mr. SLOAN. Yes, sir.

Senator TALMADGE. Now, you accumulated, I believe, large sums of cash prior to the time the April 7 law came into effect, did you not?

Mr. SLOAN. I was the custodian of a large sum of money. I did not personally collect it myself.

Senator TALMADGE. You had on hand, I believe, about $910,000 that you disbursed in cash at one time or another. Is that substantially accurate?

Mr. SLOAN. It is close to a million dollars over this entire period of March through the end of this period.

Senator TALMADGE. Now, much of that money was disbursed subsequent to April 7, 1972, was it not?

Mr. SLOAN. Some of it was, not the——

Senator TALMADGE. Why did you not comply with the Disclosure Act that went into effect on April 7 of last year?

Mr. SLOAN. For a variety of reasons, Senator. First, I was not treasurer of those funds and they were not identified to a committee, so I could not personally file them with my committee.

Second, I understood them by our operating practice to have been essentially committed in prepayments to individuals within the campaign along the same guidelines as the $5.5 million that had been made in prepayments in terms of check disbursements.

Senator TALMADGE. It can't be prepaid until it is delivered, can it?

Mr. SLOAN. My difficulty with this, Senator, is that it is an assumption on my part. I was not part of the decision as to, in fact, even whether these funds were committed. I approached the problem from the other side. I was told precisely what to report and what fell in this committed category.

Senator TALMADGE. Did you understand that at midnight on April 7, 1972, all expenditures thereafter had to be reported in detail and subject to audit by the Comptroller General of the United States?

Mr. SLOAN. Yes, sir, but my understanding was that on these moneys, a decision had been made and as far as I was concerned, they were considered expended prior to that time.

Senator TALMADGE. You took the view, then, that it was on hand and someone else told you that it had been committed and it absolved you of responsibility under the law?

Mr. SLOAN. Yes, sir.

Senator TALMADGE. You were following higher orders, higher authority, not making decisions on your own accord?

Mr. SLOAN. Sir, I would not want to be put in the position of passing the buck on this. I may have had a responsibility to this. I do not believe I did. All I can tell you is that in my understanding of the law, I believe I complied. That understanding, particularly given some recent developments, may in fact be totally incorrect. I concede that.

Senator TALMADGE. What officials at the Committee for the Re-Election of the President, or the Finance Committee for the Re-Election of the President, knew of these cash disbursements that you made?

Mr. SLOAN. Officials of the committee, I would say, with the exception of Mr. Liddy, who received some of them himself, but he would not have a comprehensive understanding of the total picture; I would say Secretary Stans was the only other official who had a complete listing, because it was to him that I made my reports on these cash funds.

Senator TALMADGE. And who had authority to call you up to deliver x number of dollars to x individual?

Mr. SLOAN. There were various authorities at various times. Prior to Secretary Stans coming, Mr. Kalmbach had the authority for a while. He passed it to Mr. Mitchell. I was told I was never to make any cash disbursements without Mr. Mitchell's approval. That subsequently was passed to Mr. Magruder and we came up into this April 7 period, and the proposition of the request for cash funds that went over that period. At that point in time I went back to Mr. Stans in each instance to ask whether in fact, he agreed and acquiesced in this continuing payout of cash funds under this basis of a budget that had been presented to him.

Senator TALMADGE. In other words, from time to time, four or five different individuals had authority to tell you to disburse the cash and you did so?

Mr. SLOAN. Yes, sir.

Senator TALMADGE. I do not believe we have heard from you an expression in detail of circumstances surrounding this $350,000 deposit of May 25, 1972. Would you tell us about that?

Mr. SLOAN. Yes, sir, as I believe I indicated before, Secretary Stans had told me prior to April 7, that in terms of the new law, this

cash on hand was validly held in any repository which included a safe. But he did say he wanted this money, the money that was to be carried forward as cash on hand under the new law, to be deposited prior to the end of the first reporting period, so that all post-April 7 funds would have gone through a bank account to facilitate any auditing that might come up by the General Accounting Office. He wanted to be sure that it was, in that first report, in by virtue of having been in a bank account.

So on probably, maybe the same day, May 25, or maybe a day or two before—I do not recall whether I reminded him that we had this deadline or whether he called me in—asked what is the cash balance? He said $350,000 of this is to be deposited to the Media Committee To Re-Elect the President. On that day, I put the money in briefcases. This was the first occasion where I had had to deposit cash in a bank other than the bank that was in our own building. The reason for this was that this was the only committee that had enough margin left to receive that amount of money under the $3 million limit of the old law.

In other words, all the post-April 7 committees had to be established first under the old law, all the transfers made into them before they could become effective in the period of the new law. So during that day or two, while they were receiving the carryover funds from predecessor committees——

Senator TALMADGE. Would you yield at that point? The reason for that, I presume, was that you did not have to disclose the source of that money because you had an existing committee to deposit it to?

Mr. SLOAN. That is right. In other words, we were liquidating the assets of the pre-April 7 committees into what would be the post-April 7 committees, because we had to——

Senator TALMADGE. You deposited it in that account because you did not have to disclose the source of it?

Mr. SLOAN. None of this money that would be transferred would have to be disclosed, it would just have to be listed as cash on hand as of April 7. Because of my concern, I had to walk essentially across Lafayette Park, and this was a lot of money, so I was worried about security. So I requested Mr. Liddy, who I ran into, if he was not busy, would he accompany me. I took Mr. Liddy with me. We made the deposit, had lunch, returned.

Senator TALMADGE. He was the only one who went with you?

Mr. SLOAN. Yes, sir.

Senator TALMADGE. That was in cash, $100 bills?

Mr. SLOAN. Probably; I am not sure all of them were.

Senator TALMADGE. Do you have any knowledge of the origin of the cash or any other cash or funds on hand?

Mr. SLOAN. I think if I saw a list, I could probably establish, but I would have a very difficult time trying to remember contributors at this point.

Senator TALMADGE. Did you speak to Mr. Mitchell concerning the break-in and funds that you gave Mr. Liddy?

Mr. SLOAN. I only talked with Mr. Mitchell on one occasion, Senator, and it was a very brief meeting because the FBI was waiting in my office to talk to me. I essentially went in to get some guidance on this point as to really what was going on. It was on this occasion

that he told me, when the going gets tough, the tough get going. It wasn't particularly helpful.

Senator TALMADGE. How did you interpret that remark?

Mr. SLOAN. I really wasn't sure, Senator, but it really wasn't very helpful guidance.

Senator TALMADGE. You did not think it was an invitation for you to leave, did you?

Mr. SLOAN. Yes, sir, I left after that.

Senator TALMADGE. Thank you, Mr. Chairman. I have no further questions.

Senator ERVIN. In view of the fact that it is almost time to recess for lunch, I think anybody else who wants to question could not possibly complete questioning before the recess. So, unless there is an objection from the committee, the committee will stand in recess until 2 o'clock.

[Whereupon, at 11:50 a.m., the committee was recessed until 2 p.m. of the same day.]

AFTERNOON SESSION, WEDNESDAY, JUNE 6, 1973

Senator ERVIN. The committee will come to order.

Senator Baker.

Senator BAKER. Thank you, Mr. Chairman.

Mr. Sloan, I join in the statement that Senator Talmadge made before the adjournment for lunch, that you have presented the appearance of a man who is fair and who is open and forthcoming in your testimony and we are grateful to you. I have the impression that, from your description and the description of others, your cooperation has been of a similar quality with those who have undertaken the investigation of these affairs.

I believe that is my point of departure, if I might. Would you tell me how many inquiries into the Watergate situation have produced an interview or inquiry of you? To recall the situation, the U.S. Attorney's office interviewed you, I believe. Mr. LaRue and others for the Committee To Re-Elect the President interviewed you.

Mr. SLOAN. Yes.

Senator BAKER. The FBI interviewed you. The staff of this committee has interviewed you, I believe, on more than one occasion.

Mr. SLOAN. Yes, sir; that is correct.

Senator BAKER. Is there anyone else who has interviewed you in this case?

Mr. SLOAN. There have been probably three or four occasions with the General Accounting Office over a period of time; the two grand jury appearances referred to earlier; numerous depositions in the various civil cases relating to this matter.

I have really lost count, Senator, of the time and the number of occasions to this point.

Senator BAKER. But you have been a well-interviewed man in the course of the last several months. I do not mean to burden the record with unnecessary repetition, but could you briefly describe to me the subject matter of the several inquiries made of you? I am particularly interested in the scope of the interrogation. Begin, if you will, with the first investigation.

When was the first time you were interviewed? Was that by the FBI?

Mr. SLOAN. You are talking of an external investigation?

Senator BAKER. I am speaking really of any time subsequent to the early morning hours of June 17, 1972.

Mr. SLOAN. I considered initially this investigation began as an internal investigation. My understanding was that Mr. LaRue had that function within the campaign committee.

Senator BAKER. How did you receive that information?

Mr. SLOAN. Whether he imparted that to me, I am not sure. It was a situation of general knowledge within the committee that he was looking into the matter.

Senator BAKER. And this was as early as during the day of June 17, 1972?

Mr. SLOAN. I do not believe it quite moved that fast, Senator. I believe it was in that early part or mid-week of the week following the break-in.

Senator BAKER. Was that the first interview you had relative to the Watergate affair?

Mr. SLOAN. I believe so; yes, sir.

Senator BAKER. Would you tell us the scope of Mr. LaRue's inquiry?

Mr. SLOAN. At this point in time, it was very general. It was—I would say he restricted his inquiry essentially into the Liddy matter. Within the committee at a very early period, it was quite obvious, I think, to everyone that the focus was on Mr. Liddy and as far as any knowledge I had that pertained to that, it would be the area of the money that I turned over to Mr. Liddy.

Senator BAKER. Do you know whether Mr. LaRue had any previous information of his own about Mr. Liddy's participation in any of these affairs at the time he made these inquiries of you?

Mr. SLOAN. I have no such knowledge.

Senator BAKER. What was the nature of the inquiry that Mr. LaRue made of the Liddy situation?

Mr. SLOAN. Essentially, it was seeking the information of me, sort of the dollar figures. I think once he had the dimensions of it, as I believe I mentioned this morning, he came back to me saying this was a very politically sensitive issue, we need to come in with a lower figure. At that point, it sort of broke and I understood Mr. Mardian as being relatively external in the sense that he had joined the committee shortly before my interview, that he had picked up sort of the range of the investigation.

Knowing Mr. Mardian, that would be Mr. Parkinson and Mr. O'Brien.

Senator BAKER. The inquiry of you about Mr. Liddy's functions and responsibilities in the committee was limited just to the payments to Mr. Liddy by you?

Mr. SLOAN. I think there was a total awareness of Mr. Liddy's function, at least as it was supposed to be; there were no inquiries in that regard. It was purely in regard to financial payments to him.

Senator BAKER. But no inquiries were put to you about Mr. Liddy's functions as it involved responsibility for the Watergate episode?

Mr. SLOAN. No, sir.

Senator BAKER. What was the next interview you had?

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Mr. SLOAN. Following the Mardian interview, which was the—that was on the 24th of June just prior to my departing for Bermuda.

Senator BAKER. By whom?

Mr. SLOAN. This was Mr. Mardian's interview on the 3d. He again was asking and concentrating on the Liddy payments, also Mr. Porter's payments, I think a far more comprehensive approach to the general financial dealings than had been the case with Mr. LaRue.

Senator BAKER. What was the next episode?

Mr. SLOAN. It was when I sought out Mr. Parkinson and Mr. O'Brien on the evening of July 6.

Senator BAKER. And what was the essence of that conversation?

Mr. SLOAN. That conversation was an approach by me to advise them of the facts I knew because they had not sought me out at that point. It was in the face of—the personnel of the finance area had already been subpenaed before the grand jury. As I said this morning, I felt it was a very severe problem that needed to be addressed and I sought them out to impart that information to them.

Senator BAKER. What was the next time you were interviewed or had a conversation about the Watergate affair?

Mr. SLOAN. I think I skipped over the FBI.

Senator BAKER. I believe so. Would you go back and identify that by date and tell us of the scope of the FBI inquiry?

Mr. SLOAN. I believe that was in mid-week, probably the 21st or 22d of June. It was an interview purely on the question of whether I knew Mr. Alfred Baldwin, was he an employee of the committee. They asked to have our records made available to them to check out those facts. It was very brief and purely on that subject.

Senator BAKER. Solely on the subject of Mr. Baldwin?

Mr. SLOAN. Yes, sir.

Senator BAKER. Were any questions asked you regarding Mr. Magruder, Mr. Dean, Mr. Hunt, Mr. Liddy, Mr. McCord, Mr. Barker, or anyone else except Mr. Baldwin?

Mr. SLOAN. No, sir. The sole subject of that interview was whatever—whether we could identify Mr. Baldwin as having been an employee of the committee.

Senator BAKER. Could you?

Mr. SLOAN. No, sir, I never heard of him.

Senator BAKER. Do you have any idea why the FBI limited its inquiry to Mr. Baldwin?

Mr. SLOAN. No, sir; I did not.

Senator BAKER. Did it seem to be limited to a particular purpose? Did they express a reason for wanting to know particularly about Mr. Baldwin?

Mr. SLOAN. They indicated, the agents who were there at that time, that they had information that Mr. Baldwin had been involved in a demonstration—I am not sure. They did identify where it was, but I have forgotten where that was.

Senator BAKER. No one asked you about the Watergate break-in in the course of that FBI interview?

Mr. SLOAN. No, sir, it was never mentioned.

Senator BAKER. Nobody ever asked you about Mr. Liddy?

Mr. SLOAN. No, sir.

Senator BAKER. Mr. Hunt?

Mr. SLOAN. No, sir.

Senator BAKER. Mr. McCord?
Mr. SLOAN. No, sir.
Senator BAKER. Money?
Mr. SLOAN. No, sir.
Senator BAKER. Accounting?
Mr. SLOAN. Money—only in the sense of—was Mr. Baldwin on the payroll or had we paid him any money.
Senator BAKER. And no one asked you about the $100 bills that were found with or on the defendants that were involved in the break-in or illegal entry into Democratic national headquarters?
Mr. SLOAN. No, sir.
Senator BAKER. Did any member of the FBI or the Justice Department ever discuss any of this with you?
Mr. SLOAN. The next occasion I had to meet with the FBI was following my resignation, which I believe was on the Friday, July 14. I think I am correct in this, that they were present at my home the following Monday morning and every morning thereafter.
Senator BAKER. When did you resign?
Mr. SLOAN. On a Friday, July 14.
Senator BAKER. And the following Monday, which would have been the 17th——
Mr. SLOAN. Yes, sir.
Senator BAKER [continuing]. Of July, the FBI was at your home that morning?
Mr. SLOAN. Yes, sir.
Senator BAKER. And each morning thereafter, did you say?
Mr. SLOAN. The problem there, Senator, was that on that occasion, they were very much interested in the Watergate matter. I indicated to them that I felt because there was a possibility on my part of technical violations of the campaign law that I wished to be represented by an attorney before I talked to them, but that I would be happy to cooperate with them. At that point, I was in the process of receiving a refusal from one attorney and it took me a day or two to get another and they leaned on me fairly heavily during that period until I did have an attorney.
Senator BAKER. All right, after you secured an attorney, when did you then talk to the FBI about the broader range and spectrum of Watergate material?
Mr. SLOAN. There was never an independent discussion with the FBI. They were present the first time I talked to the U.S. prosecutors, Mr. Silbert, Mr. Glanzer, Mr. Campbell.
Senator BAKER. When was that?
Mr. SLOAN. It was on July 20, I believe, Senator. Yes, sir, I believe that is correct.
Senator BAKER. I am sorry?
Mr. SLOAN. July 20.
Senator BAKER. July 20?
Mr. SLOAN. Yes sir.
Senator BAKER. And tell us briefly: What transpired in that interview, who was present, where it was held, and the substance of the interview?
Mr. SLOAN. It was in Mr. Silbert's office. Present were myself, my attorney, Mr. Stoner, Mr. Glanzer, Mr. Campbell, and I believe I am correct, two agents from the Federal Bureau.

Senator BAKER. And what subject matter was covered?

Mr. SLOAN. The entire Watergate matter.

Senator BAKER. What did you tell them?

Mr. SLOAN. What I have told you gentlemen here this morning.

Excuse me, Senator. We had really two sessions with them. We did not cover all the material on one occasion. I believe, for instance, the discussions about the Magruder approach, and so forth, were covered in a session a day or two later.

Senator BAKER. You are talking about the indication by Mr. Magruder that you should perjure yourself?

Mr. SLOAN. Yes sir.

Senator BAKER. That was covered in the second interview at the U.S. attorney's office?

Mr. SLOAN. Yes sir.

Senator BAKER. Was that matter ever brought out in the trial of the Watergate defendants?

Mr. SLOAN. No, sir. No, sir.

Senator BAKER. Was it ever discussed before the grand jury?

Mr. SLOAN. Yes, sir, it was.

Senator BAKER. Were you asked those questions at the U.S. attorney's office?

Mr. SLOAN. Yes, sir. I would say with regard to my grand jury testimony that I believe I spent about an hour before the grand jury and my best recollection is that approximately half of that time was devoted to the Magruder question.

Senator BAKER. Mr. Sloan, how would you characterize, if you can so characterize, the interviews you had with the U.S. attorney's office and the FBI? Were they thorough and searching?

Mr. SLOAN. The FBI, in terms of the interviews I had with the U.S. attorney's office, they were there as observers. I really have never been questioned by the FBI except in the Baldwin matter. I would say that, given the time and the information that was available at the time, I feel they were extremely thorough.

Senator BAKER. Mr. Sloan, one of the responsibilities of this committee is to file a report ultimately on its findings and to recommend, if it chooses to do so, revisions in the Campaign Expenditure Act, election reform, and the like; in a word, to make recommendations on how such situations might be avoided in future Presidential campaigns. Let me ask you a few questions about that, because in a strange, and I am sure, unwelcome way, you have become the Nation's leading expert on this particular situation, at least from the standpoint of firsthand knowledge.

Would it seriously or would it interfere at all with the conduct of the Presidential election if there were an absolute statutory bar against receiving cash contributions or making cash disbursements?

Mr. SLOAN. No, sir; I think it would be, for individuals in the technical implementation of the law like myself, I think it would be of great assistance.

Senator BAKER. Wholly aside from the accountant's point of view, and knowing, as you do, something of the internal workings of the financial side of the national campaign, do you foresee a difficulty in that respect? Do you see any way it would hamper or impede the orderly operation of a Presidential campaign to require that all receipts and all disbursements be by some tender other than currency?

Mr. SLOAN. No, sir; I would see no problem with that whatsoever.

Senator BAKER. It is my understanding, and I think you have intimated as much without saying so, it is my understanding that in the last several weeks before April 7, there was a virtual torrent of contributions?

Mr. SLOAN. Yes, sir.

Senator BAKER. And many of them were cash contributions?

Mr. SLOAN. Yes, sir.

Senator BAKER. And it has been my experience from my own campaigns, and I rather suspect that others have the same experience, that maximum contributions occur in the last 2 or 3 weeks before an election. Did you have a similar experience in the Presidential election?

Mr. SLOAN. Yes, sir.

Senator BAKER. Tell us what, if any, difficulty you had in accounting for last-minute contributions, whether in cash or by check? Does that become a problem?

Mr. SLOAN. The sheer volume, yes, sir. I think personally, I handled in the neighborhood of $6 million in a 2-day period.

Senator BAKER. Was that before the November election?

Mr. SLOAN. No; this was just prior to April 7.

I think the change in the campaign law, in effect, produced a kind of deadline similar to an election.

Senator BAKER. Did you have a similar bulge, a similar acceleration in the rate of contributions before the election, just before the election in November?

Mr. SLOAN. Of course, I was not there in this election, Senator, but in 1968, I would agree with that, yes, as a pattern.

Senator BAKER. That was the pattern?

Mr. SLOAN. Yes, sir.

Senator BAKER. From your vantage point as one who has participated in two Presidential elections and been intimately involved in the detail, do you see any difficulty that might derive from a statutory moratorium on any contributions, say, for 2 weeks before the election?

Mr. SLOAN. I am not sure I would be qualified to evaluate that, Senator.

Senator BAKER. The point of the matter being that it is difficult, if not impossible, to account for last minute money in time for last minute accounting?

Mr. SLOAN. Yes, sir; I would agree.

Senator BAKER. And if campaign disclosure legislation is to have any beneficial effect in the sense the public knows for what the candidates spend money, there ought to be a cutoff point, it seems to me, sometime substantially prior to the date of the election. If that were proposed, do you as an expert, so to speak, in this field think that would seriously jeopardize the operation of a campaign?

Mr. SLOAN. No, sir; I think any date you set as the final date would be looked on by contributors and I think it would produce your bulge in the earlier period.

Senator BAKER. I think that is true, but it would give you a better opportunity to report and disclose it in time for the public to take it in account before the election.

Mr. SLOAN. I would agree with that, particularly under the new law where you have detailed accounting procedures where you do, I think it is almost essential.

Senator BAKER. Under the new Campaign Expenditure Act which went into effect on April 7, 1972, and under which we presently operate, there is a limitation, as you know, on radio, television, and certain other categories of expenditure, but there is not a total overall limitation of expenditures in Presidential or other Federal elections.

If the Congress of the United States were to establish a maximum limitation on expenditures and to establish a requirement that expenditures be not only documented and accounted for, but that they could not be in cash, if there was a requirement that contributions could not be in cash, if there was a requirement that contributions could not be received, nor expended, nor obligations liquidated on behalf of candidates, say, for 2 weeks before the election, and if there were a limitation as to the total amount you could spend and a limitation, say, of $3,000 on what an individual could give, do you think that combination of circumstances would provide an unworkable situation from the standpoint of financing a Presidential or a Federal election?

Mr. SLOAN. I think one of the most effective curbs might be a time limit on elections. When you look at the 1972 campaign, we started back in March 1971. It is almost a 2-year period of activity.

I think a total spending ceiling could be worked with. I suspect quite frankly, out of this kind of situation that is unfolding here, it may very well get to the point the only way to fund a Presidential campaign is through public funding. I think today in today's world, the intertwining of the business sector with Government with disclosure is going to make it no one's interest in business to contribute because every action after that will be looked into in that light.

Senator BAKER. In my wildest imaginations, I never dreamed I would sit here and have an argument with you about Federal financing of campaigns, but I am prepared to do that. And as my good friend John Gardner, who is president of Common Cause, and I talk about from time to time, there is the problem. There is the question of financing political campaigns, but just for the brief purposes of this moment, I have a great fear not only of the abuse of money, especially cash, but I also have a great fear of the Federal bureaucracy taking over the electoral system. So before we go that extra mile I think we ought to give careful thought to the alternative possibilities that are available to us.

Do you have any other suggestions, Mr. Sloan, on how we could provide for reasonableness, candor, openness, and accountability on the financial side of politics?

Mr. SLOAN. Sir, I think one of the really great tragedies of this particular campaign is this situation of having one law in effect for part of the campaign and the new law in effect for the balance of the campaign, because I think the whole campaign financing law is being judged in terms of the conduct in this transition period. I do not believe, for instance, that the present law has been given a fair chance. I think no professional fund raiser would argue with the premise of disclosure. It is a great help in a way. It takes a lot of the temptations out of the way or the pressures. I think most of us were glad to see it. But having it come in the middle of the campaign we still had to deal with the only rules that existed at the time in the earlier period.

I would like to see at least for one more Presidential campaign, the laws that now stand given a fair chance. I think there is a lot wrong with them but I do not think it has had a fair chance in its present form. I think all of the abuses at least in terms of the campaign to which I can address myself to, if you will call them abuses, are totally related to the earlier period or this transition period. I think that in the effort that was made to comply with the new law with any contribution that was understood to be a contribution post-April 7 period, and I am not talking about these funds here, I am talking about the general receipts. I think our campaign did a magnificent job. I think it is a workable law. I would agree with you, I would rather see an overall ceiling for money period on a campaign than the mediary but its restricting choice or like to see a time limit of a campaign restriction, but I think it is one of the great tragedies of this situation, the inability to look at the new law and its workings in a dispassionate sense.

Senator BAKER. Thank you, Mr. Sloan. I have one other line of questions that will not take very long. You have covered the material in general with Mr. Dash, the counsel for the committee, and Mr. Thompson.

I would like to know a little more about the extent and scope of the knowledge of Mr. Stans and Mr. Mitchell of the Waterage operations insofar as you have that information.

Mr. SLOAN. Senator, aside from what I have read in the newspapers, I have no direct knowledge.

Senator BAKER. Did you ever talk with Mr. Stans or Mr. Mitchell about the Watergate situation?

Mr. SLOAN. Not to Mr. Mitchell. I met with Mr. Mitchell only on one occasion that has been referred to earlier. During that week I traveled with Secretary Stans. He had numerous conversations with, as I understood it from what I could hear at his end of the conversation, presumably with Bob Mardian and Fred LaRue, the people who were understood to be handling the problem from the political campaign standpoint. Mr. Stans was extremely defensive in all of the conversations I heard. He insisted from the end of the conversation I heard, he said, "Dammit, this is not a finance problem, you guys have to handle it and you have got to keep it away from Sloan and myself because we have nothing to do with it."

Senator BAKER. Do you know what he was talking about?

Mr. SLOAN. I am making an assumption, Senator, but I think a pretty obvious one, that this was about the only issue being discussed at this point.

Senator BAKER. How would you characterize Mr. Stans' attitude or demeanor at that time?

Mr. SLOAN. I think he was angry, I think he was upset with the political campaign, political side of the campaign.

Senator BAKER. Did you ask him what he meant?

Mr. SLOAN. No, sir.

Senator BAKER. Thank you.

Senator ERVIN. Do you not think this is an area where we need the highest standard of ethics which exceed the requirements of law?

Mr. SLOAN. Excuse me, Senator?

Senator ERVIN. Don't you think in this area that individuals should have personal ethics whose requirements exceeded the strict letter of the law?

Mr. SLOAN. Yes sir.

Senator ERVIN. In other words, it is a fundamental principle of ethics that people who handle funds belonging to other people keep records of them, isn't it?

Mr. SLOAN. Yes sir.

Senator ERVIN. And I judge from your testimony that you had many misgivings as an individual about the way matters were being handled in the receipt and disbursement of funds, didn't you?

Mr. SLOAN. Yes sir, in this transition period.

Senator ERVIN. You were not a policymaker, were you?

Mr. SLOAN. In certain areas but not in this area.

Senator ERVIN. You worked primarily or entirely, I would say, if I infer correctly, with Mr. Stans?

Mr. SLOAN. Yes sir.

Senator ERVIN. In other words, your duties were confined entirely to the finance side of the matter and you had nothing to do with the political aspect of it?

Mr. SLOAN. Yes sir; I would say the only overlap was I was a member of the budget committee that considered the total expenditures for the campaign. The finance committee's role in that essentially would be to say this is all the money we can raise, you have to set your priorities within those limits. We were a restraint factor on the political spending.

Senator ERVIN. Now, you are not a lawyer?

Mr. SLOAN. No sir.

Senator ERVIN. And in trying to comply with the old law and the new law you were acting upon legal advice given you by others?

Mr. SLOAN. Yes sir.

Senator ERVIN. And Mr. Liddy, was he your legal advisor?

Mr. SLOAN. Yes sir; he was the counsel to the committee at that time.

Senator ERVIN. Now at times you had approximately $1,777,000 available to the Committee To Re-Elect the President which were not deposited in banks?

Mr. SLOAN. Of that figure, Senator, approximately a million was in terms of direct payments to individuals. The balance, the $750,000, was deposited in bank accounts.

Senator ERVIN. That was deposited. How much money was kept in the safe in your office and in the safe in the office of Mr. Stans' secretary?

Mr. SLOAN. It is a question of timing, Senator. In the pre-April 7 period, I kept all the funds in a safe that was in my office. At some point after April 7, these funds we have discussed here were moved to the safe in Arden Chambers' office. The reason for this being in pulling together all our records for the pre-April 7 period, there was need for access to my safe which held all of these records by a great number of people, so it was purely a mechanical transfer to another safe because it was more secure and not as many people had access to it.

Senator ERVIN. Could you give the committee an estimate as to the total amount of cash that was kept in the offices of the Committee To Re-Elect the President?

Mr. SLOAN. Over this entire period, this $1,700,000, I would say my best recollection would be that probably never got above $600,000 or $700,000 at any one point, and I would suspect that would be just prior to April 7, because of the influx of cash funds at that point.

Senator ERVIN. Now, the deposit made on May 25, 1972, how long was that kept in safes or places other than deposits in a bank?

Mr. SLOAN. That would have been money that came in, that made up that deposit and would be in the safe in Arden Chambers' office.

Senator ERVIN. According to your testimony, there were disbursements in cash in excess of $1 million in the safes over there, wasn't there?

Mr. SLOAN. Yes, sir, in the earlier periods some of the cash funds were kept in the safe deposit boxes and subsequently moved to a safe in our office.

Senator ERVIN. The first disbursements were made upon orders of John Mitchell while he was still serving as Attorney General of the United States.

Mr. SLOAN. He had general control over the authorization of funds. Whether he specifically authorized me to make a cash disbursement, I am not sure because the delegated authority had moved to Mr. Magruder by the time Mr. Liddy and Mr. Porter had this blanket right to draw.

Senator ERVIN. The first man that had authority to disburse funds was Mr. Kalmbach.

Mr. SLOAN. That is right.

Senator ERVIN. Then Mr. Mitchell took over.

Mr. SLOAN. Yes, sir, Mr. Kalmbach's instructions to me were that Mr. Mitchell would control all disbursements including checks and cash.

Senator ERVIN. Then some question arose so Mr. Mitchell, being irritated upon being interrogated by you so often about the outlay of funds, told you to make an arrangement with Mr. Magruder.

Mr. SLOAN. Yes, sir, that is correct.

Senator ERVIN. And so after that, Mr. Magruder had direct charge of dictating the outlay of funds.

Mr. SLOAN. Yes; that is correct.

Senator ERVIN. Now did you talk to Mr. Stans from time to time about the demands being made upon you by Mr. Magruder for funds?

Mr. SLOAN. Senator, Mr. Stans was kept advised on this. I reviewed it with him when he assumed the chairmanship. I reviewed all of the outlays that had been made to that point.

Senator ERVIN. Did he authorize or at least acquiesce in all of the outlays made by you from these funds?

Mr. SLOAN. He acquiesced in the authority of others to draw on it. He did not clear the individual items each time somebody came.

Senator ERVIN. But it would be true to say all of the outlays of funds you made were made with either the express or the tacit approval of Mr. Stans.

Mr. SLOAN. Yes sir, from the time he assumed the chairmanship.

Senator ERVIN. What records were kept at the committee with reference to the disbursements of these cash funds?

Mr. SLOAN. Senator, I kept a working book with me in a safe which reflected all of the payments, the receipt of contributions that were

cash contributions, the date of receipt, any distribution of those funds, to whom and on what date.

Senator ERVIN. Do you know what became of the book?

Mr. SLOAN. Yes, sir.

Senator ERVIN. Where is it?

Mr. SLOAN. It has been destroyed, Senator.

Senator ERVIN. When was it destroyed?

Mr. SLOAN. On June 23.

Senator ERVIN By whose order was it destroyed?

Mr. SLOAN. Senator, if I could elaborate a little bit on that. This was the occasion in preparing a final record of the pre-April 7 period. Secretary Stans had requested of me a single final copy recording these transactions. The one difference between this and the cash book, for instance, they would be aggregate figures. Mr. Liddy would be listed a total of $199 and would not list the individual dates of receipt. He indicated that would be the permanent record of this period of time. In preparing that I was with Mr. Kalmbach to verify the $250,000 figure, whatever it was, with him and I asked him what do you think is the appropriate distribution of these records and he asked me what were Secretary Stans' instructions and I said he asked for a single copy, final copy that would be the permanent record. He said, fine. He said I am going to destroy the record. I would suggest you do the same and just provide him with the single copy he requested.

Senator ERVIN. In other words, Mr. Kalmbach in effect told you he was going to destroy such records as he had and advised you to do the same thing with the records you had.

Mr. SLOAN. With the exception, Senator, I do not know whether he had another copy of the record. In the case of the figures I had, I did not feel I was destroying any original information because I was handing a report that contained that information to Secretary Stans.

Senator ERVIN. You had made a compilation in aggregate form of what your original record showed.

Mr. SLOAN. That is right, and it would include all contributors.

Senator ERVIN. Did anyone else beside Mr. Kalmbach talk to you about destroying your original record?

Mr. SLOAN. No, sir.

Senator ERVIN. They were destroyed on the 23d of June, a few days after the break-in.

Mr. SLOAN. Yes, sir.

Senator ERVIN. Do you know if there were any records kept or now in existence of what became of the $250,000, approximately, given out of these funds to Mr. Kalmbach?

Mr. SLOAN. No, sir; I have no knowledge of what he would have used those funds for. I would think if there is a record he would have to be a source of it.

Senator ERVIN. Now, where did Mr. Strachan work at this time?

Mr. SLOAN. He was in the White House working as a political aide, liaison with Mr. Bob Haldeman.

Senator ERVIN. In other words, he was political liaison between Mr. Haldeman and the committee, was he not?

Mr. SLOAN. Yes, sir, that is correct.

Senator ERVIN. And you got the instructions to put $350,000 in the briefcase to be carried to the White House?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And that was taken to the White House in cash?

Mr. SLOAN. My understanding is it went to the White House. I did not——

Senator ERVIN. Who transmitted the message that that money was to be sent to the White House?

Mr. SLOAN. Mr. Kalmbach.

Senator ERVIN. Where did Mr. Porter work?

Mr. SLOAN. He worked at the Committee for the Re-Election of the President.

Senator ERVIN. Do you have any knowledge of whether any record was made, or whether any record has been preserved, in respect not only to the $250,000 given to Mr. Kalmbach and $350,000 carried out of the commi tee to the White House by Mr. Strachan, in respect to the $100,000 given to Mr. Porter, the $199,000 given to Mr. Liddy, the $20,000 given to Mr. Magruder, the $10,000 given to Mr. Nofsiger, the $15,000 given to Mr. Stone; and the other $8,000 exclusive of the $50,000 given to Mr. Lankler and Mr. Hitt. Is there any record in existence that shows what became of that money?

Mr. SLOAN. Senator, I do not know if they are in existence, but in the process of preparing this final report, Secretary Stans had instructed me to sit down with each one of these individuals where there had been multiple distributions to verify the figure that I had in my records with what they had in theirs.

Senator ERVIN. Did you?

Mr. SLOAN. So presumably at that point in time, there were records in existence in the hands of these individuals which would indicate what happened to that money if it had been spent.

Senator ERVIN. But there were no records kept there, no records that you know of now in existence in the committee offices, which would disclose what had become of these funds?

Mr. SLOAN. No, sir, not to my knowledge.

Senator ERVIN. You became much concerned about the disbursement of some of these funds, didn't you, particularly those to Mr. Liddy?

Mr. SLOAN. Yes sir.

Senator ERVIN. So when you got orders to continue these disbursements to Mr. Liddy, which you mentioned were $199,000, you expressed your concern to Mr. Stans?

Mr. SLOAN. Yes sir, that is correct.

Senator ERVIN. And Mr. Stans told you to go ahead and continue to disburse them.

Mr. SLOAN. Yes sir, he said he would check with Mr. Mitchell and came back and told me to continue.

Senator ERVIN. And you told Mr. Stans in the course of your conversations with him that you had misgivings about giving so much money to Mr. Liddy without knowing what the money was to be used for?

Mr. SLOAN. The $83,000 was really the trigger. I am not sure I restricted it in my conversation with Secretary Stans to Mr. Liddy. I said, here we have a tremendous sum of money that this committee has no control over or accountability for. I did express that general concern at that time.

Senator ERVIN. That was when you were authorized and directed to give $83,000 in cash at one time to Mr. Liddy?

Mr. SLOAN. Yes sir.

Senator ERVIN. And when you made the statement to Mr. Stans about your misgivings about the disbursing of money without knowing what it was being used for, Mr. Stans said, I do not want to know what the money is used for and you do not want to know?

Mr. SLOAN. As I recall, sir, it was when he returned from seeing Mr. Mitchell and he said, I do not want to know and you do not want to know, yes sir. That is correct.

Senator ERVIN. As a matter of fact, was not a deliberate effort made at the committee not only not to report receipt of funds, but to hide the source of those funds?

Mr. SLOAN. Senator, I know of no deliberate effort in that regard. With regard to these funds, I have never had it suggested to me——

Senator ERVIN. Well, what about the $89,000 in Mexican checks and the Dahlberg check?

Mr. SLOAN. They were considered to have been pre-April 7 funds and were considered not to be covered under the new legislation.

Senator ERVIN. But did the checks for the Mexican banks totaling $89,000 come into the committee offices?

Mr. SLOAN. Yes sir, they did.

Senator ERVIN. They came into the committee offices in the form of checks, did they not?

Mr. SLOAN. Cashier's checks, both.

Senator ERVIN. Cashier's checks from the Mexico City Bank?

Mr. SLOAN. Yes sir.

Senator ERVIN. When did those funds reach the committee office?

Mr. SLOAN. On the evening of April 5.

Senator ERVIN. How did they get there?

Mr. SLOAN. Mr. Roy Winchester brought them to my office that evening.

Senator ERVIN. Who is Mr. Winchester?

Mr. SLOAN. Mr. Winchester, I believe, is the vice president of the Pennzoil Corp.

Senator ERVIN. I wish you would look at these documents that are marked "Government Exhibit 112C," "Government Exhibit 112D," "Government Exhibit 112B," and "Government Exhibit 112A" and see if you can identify them.

Mr. SLOAN. Yes sir, I believe these are accurate copies of the checks I handled.

Senator ERVIN. Let those be marked, numbered as exhibits and received as such.

[The documents referred to were marked exhibits Nos. 21, 22, 23, and 24.*]

Senator ERVIN. Did Mr. Winchester bring any other cash along with those checks?

Mr. SLOAN. Yes sir, he came in with a briefcase that, to the best of my recollection, in terms of checks, cash, including these cashier's checks, totaled somewhere in the neighborhood of $700,000.

Senator ERVIN. Do you know where he carried that cash and those checks from?

Mr. SLOAN. My understanding was that these were a result of a fund-raising effort in the Southwest.

Senator ERVIN. In Texas?

*See pp. 892-895.

Mr. SLOAN. I know Texas, but whether it was just restricted to Texas, I am not sure.

Senator ERVIN. You do not know from your own knowledge, of course, whether they came from fund raising or whether they came from correspondence?

Mr. SLOAN. As I recall, all the checks were individual checks. The cash funds—I might explain. There was a listing in the briefcase, the total amount which equaled the total amount in the briefcase. Individual names were associated with each of those items.

Senator ERVIN. Were any checks brought at that time in addition to these four Mexican checks?

Mr. SLOAN. Oh, yes, sir.

Senator ERVIN. I thought that the rest was in cash. Was I mistaken in that?

Mr. SLOAN. Yes, sir. I think a large proportion of it was in personal checks from contributors.

Senator ERVIN. I would like to hand you a check that purports to be drawn on the First Bank and Trust Co. of Boca Raton, a cashier's check, to the order of Kenneth H. Dahlberg.* I hand that to you and ask if you can identify that?

Mr. SLOAN. Yes, sir; that appears to be accurate.

Senator ERVIN. When did that check reach the office of the Committee To Re-Elect the President?

Mr. SLOAN. I did not know when Secretary Stans received it. I believe he turned it over to me sometime in the week following April 7.

Senator ERVIN. This check was not dated, this cashier's check was not dated until April 10, 1972, 3 days after the new law went into effect.

Mr. SLOAN. Secretary Stans, in giving that check to me, told me it represented pre-April 7 funds.

Senator ERVIN. The committee proceeded upon the advice of Mr. Liddy to the effect that if somebody promised them money before April 7, or they had agreed to make a disbursement before April 7, that that did not have to be reported—is that so?

Mr. SLOAN. I believe that is correct, Senator.

Senator ERVIN. Now, what happened to these four Mexican checks——

Mr. SLOAN. Senator, excuse me. In response to that other question, presumably, Mr. Liddy gave his advice to Secretary Stans. He did not specifically give that advice to me. It was represented that way to me by Secretary Stans.

Senator ERVIN. In other words, Mr. Stans told you that Mr. Dahlberg's check had been received somewhere under some circumstances by somebody before April 7, and, therefore, even though it had not reached the committee or any person authorized to receive funds on behalf of the committee, that it was received before April 7?

Mr. SLOAN. My understanding was that Mr. Kenneth Dahlberg, who was an authorized representative of the committee, had received it from Mr. Dwayne Andreas. As to the exact circumstance of that arrangement, I do not know.

Senator ERVIN. Were not the four Mexican checks and the Dahlberg check deposited in a bank in Miami, Fla.?

* The document referred to was later marked exhibit No. 25 on p. 631.

Mr. SLOAN. That is what I understood happened to them, Senator. It was certainly not under my instructions.

Senator ERVIN. Can you explain to the committee why the checks were transmitted from Washington to Miami and deposited in a bank in Miami to the credit of Bernard L. Barker?

Mr. SLOAN. I have no idea, Senator.

Senator ERVIN. Would you not infer from those circumstances that somebody that had something to do with the checks did not want anybody to know about receiving the checks and wanted to hide them?

Mr. SLOAN. Senator, my understanding when I received them was a judgment had been made that they were pre-April 7 contributions and, therefore, were not required to be reported. I did turn them over to Mr. Liddy to have them converted to cash. He handled them from there. Why he gave them to Mr. Barker, I have no idea.

Senator ERVIN. Well, even though they did not have to be reported, can you inform us why, instead of being put in the safe in the committee office, why they were sent down to Florida?

Mr. SLOAN. I do not know why they went to Florida, Senator. The reason for the conversion of those checks to cash was to attempt to comply with the spirit of the old law of distributing an individual's contribution in $3,000 increments among pre-April 7 committees. But as those bank accounts had been closed out, the only way to do this was by converting it to cash and counting that cash as a transfer as cash on hand in the Media Committee To Re-Elect the President. It was reported in that figure.

Senator ERVIN. I am a little mystified. How could it comply with the old law with reference to the receipt of $3,000 or less in cash by having $114,000 deposited in the bank account of Bernard L. Barker in Miami, Fla.?

Mr. SLOAN. Senator, I do not know any circumstances surrounding the deposit of the checks in Mr. Barker's account. That was not my intent in turning those checks over to Mr. Liddy.

Senator ERVIN. Who instructed you to turn them over to Mr. Liddy?

Mr. SLOAN. I believe I took them to Mr. Liddy in response to the conversation of Secretary Stans. He asked me, do we have any problem in handling these? I told him I did not know; I would check with counsel. His recommended way of handling this was a diversion to cash. He offered at that time to handle that transaction for me. It took him until mid-May to return those funds to me in cash form, minus roughly $2,500 expenditure.

Senator ERVIN. I hate to make comparisons, but I would have to say on that, Mr. Liddy in one respect was like the Lord, he moves in mysterious ways his wonders to perform. [Laughter.]

Now, as a matter of fact, do you not know that some of the funds that were drawn out, that represented proceeds of these checks which were drawn out of the Miami bank on Mr. Barker, were found in the possession of some of the people who were caught in the burglary at the Watergate?

Mr. SLOAN. I have since learned that; yes, sir.

Senator ERVIN. How long was it after the break-in before you learned that?

Mr. SLOAN. I believe not that specific reference, but the fact that these men had been found with $100 bills in their possession came out

probably within 3 days of the first week. I do not have a direct recollection of when that connection specifically was made to the bank account of Mr. Barker.

Senator ERVIN. Well, during the trial, in January, it was brought out that the Miami bank in which Mr. Barker had deposited these funds had, pursuant to law, kept the serial number of $100 bills withdrawn by Barker and that the serial Nos. 043 $100 bills found in the possession of those who burglarized the Watergate bore those serial numbers?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And that came out very early in the newspaper, did it not?

Mr. SLOAN. I do not think it took too long. It came out certainly within a week or two.

Senator ERVIN. Now, I do not mean in any of these questions to make any reflection on you, because your testimony and your forthrightness have renewed my faith in the old adage that an honest man is the noblest work of God and I am not in any of these expressions meaning to reflect on you in any respect.

Senator BAKER. Nor on God?

Senator ERVIN. No.

Now, there was a good deal of consternation among the officers and employees of the Committee To Re-Elect the President when it was reported on the morning of June 17, 1972, that one of the employees of the committee, Mr. McCord, and four other people had been arrested in an act of burglary during the early morning hours of that day, was there not?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And that was the time that Mr. Liddy made his statement to you to the effect that "some of his boys had been caught in the Watergate" and he had "made a mistake" in letting one of "our people participate" in the matter?

Mr. SLOAN. Yes, sir; that is correct.

Excuse me, Senator. He did not say, "My boys were caught last night in the Watergate." He just said, "My boys were caught," with no direct connection to Watergate.

Senator ERVIN. You inferred what he was talking about?

Mr. SLOAN. Not until after I read the newspapers, Senator. He made that comment to me before I knew of the break-in.

Senator ERVIN. Now, was the first person you had any conversation with about this, Mr. LaRue?

Mr. SLOAN. I am not sure precisely the sequence, whether it was the Magruder conversation or the LaRue conversation in that week. It could be either one.

Senator ERVIN. Yes.

Well, Mr. LaRue came to talk to you—that is Mr. Fred LaRue, isn't it?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And he was an aide to John Mitchell?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And had served with John Mitchell in the Department of Justice, hadn't he?

Mr. SLOAN. I am not sure of my own knowledge. The last I knew of Mr. LaRue, he had been at the White House.

Senator ERVIN. Anyway, he came to you and told you he was investigating this matter at the request of Mr. Mitchell?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And at that time, you had been notified that the FBI wanted to see you?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And Mr. LaRue told you that—not to go down and see the FBI until you had seen Mr. Mitchell?

Mr. SLOAN. Yes, sir, that is correct.

Senator ERVIN. So you went to see Mr. Mitchell and you told him you were much concerned about what had happened.

Mr. SLOAN. I was asking generally for guidance, restricted to that situation. I guess what I was hoping for was an explanation that everything was all right. I didn't get any such guidance.

Senator ERVIN. Yes; and the only advice you got on the subject was the philosophical observation that "when the going gets tough, the tough get going"?

Mr. SLOAN. Yes, sir.

Senator ERVIN. Well, that is the sort of enigmatic expression that is worthy of the Sphynx, I guess. I don't quite understand it all.

Mr. SLOAN. I didn't really understand, either, sir.

Senator ERVIN. How long after that was it before Mr. Mitchell left the committee? [Laughter.]

Mr. SLOAN. Senator, I must admit that when I received news of Mr. Mitchell's departure when I was in Bermuda, that same thought did cross my mind. I had heard of that when I was in Bermuda, which would be probably—I guess it was July 1.

Senator ERVIN. What time did this conversation with Mr. Mitchell occur about when the going gets tough, the tough get going? What day of June was that?

Mr. SLOAN. I am not precisely sure, but I think it was midpoint of that first week, probably the 21st or 22d of June.

Senator ERVIN. Mr. Mitchell left on July 1?

Mr. SLOAN. Yes, sir.

Senator ERVIN. Now, you were so much concerned about what had happened that you requested an opportunity to speak to Mr. Haldeman.

Mr. SLOAN. I am not sure, in all fairness, Senator, that I may not have specifically asked to see him. I sought people out, feeling that he personally should know certain information. Whether it was transmitted to him or whether they would arrange an interview directly with him was not decided until the next day.

Senator ERVIN. In other words, your concern was so great that you wanted an opportunity to communicate with someone in the White House your misgivings?

Mr. SLOAN. Yes, sir. At this point in time, my judgment was that there was a strong possibility that the entire, essentially command, of the political side of the campaign was involved in this affair and that the only way to look at it from essentially the external standpoint was to get someone in the White House at that point to take a look at their own campaign organization.

Senator ERVIN. Now, you did go to the White House?

Mr. SLOAN. Yes, sir.

Senator ERVIN. That was about the 23d?

Mr. SLOAN. Yes, sir, it was the 23d.

Senator ERVIN. And you got to talk to Mr. Dwight Chapin, the President's appointments secretary?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And you told him that you were very much concerned about what had happened?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And Mr. Chapin suggested that you take a vacation?

Mr. SLOAN. Yes, sir, he did.

Senator ERVIN. Mr. Chapin didn't suggest that you talk to Mr. Haldeman?

Mr. SLOAN. No, sir. I made the assumption that if he felt that I was that overwrought with the information I had given him, presumably he would convey that to Mr. Haldeman.

Senator ERVIN. Didn't you think it was time for some honest man to be overwrought?

Mr. SLOAN. I was overwrought, yes, sir.

Senator ERVIN. Mr. Chapin tried to impress upon you that it was necessary to take a trip——

Mr. SLOAN. He made that comment, yes, sir.

Senator ERVIN. After that, you talked to Mr. John L. Ehrlichman, didn't you?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And you tried to talk to him about it?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And you told Mr. Ehrlichman that it was evident to you that somebody external to the campaign should look into this matter.

Mr. SLOAN. I am not sure whether I precisely said that. Certainly, my purpose in being here, which I think I conveyed, was that there is a tremendous problem over here that somebody needs to take a look at, yes, sir.

Senator ERVIN. In other words, the idea you were trying to impress upon Mr. Ehrlichman was that somebody in the White House or somebody outside of the Committee To Re-Elect the President should make an investigation of this matter?

Mr. SLOAN. Whether I put it in quite those strong terms, I was trying to express a concern that there was a major problem in my judgment at the campaign, yes, sir.

Senator ERVIN. Which ought to be investigated by somebody other than the members of the Committee To Re-Elect the President.

Mr. SLOAN. Yes, sir.

Senator ERVIN. And Mr. Ehrlichman told you that he didn't want to know anything about it.

Mr. SLOAN. When I began to try to get specific as to details, probably in the area of money, I think he interpreted my concerns as being personal concerns which I did have as well and suggested to me that since I had worked at the White House, since I had a special relationship with the White House, if I had personal problems he would be glad to arrange a lawyer for me or see that I had a lawyer. With regard to his hearing any further information, he stated that as far as he was concerned he didn't want to know the details, that his

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position personally would be to take executive privilege on this matter until after the election.

Senator ERVIN. So Mr. Ehrlichman at that time was what was known as the chief domestic adviser to the President, wasn't he?

Mr. SLOAN. Yes, sir, he was.

Senator ERVIN. And so when you tried to tell the chief domestic adviser to the President that there should be an investigation of this matter, the chief domestic adviser to the President said he didn't want to know anything about it and if he did learn anything about it he was going to take executive privilege until after the election was over.

Mr. SLOAN. Essentially, that is correct. I don't think I used the word "investigation"; I think it was more implied a problem one would assume he would want to look into.

Senator ERVIN. Who did you see first on the visit to the White House which you say occurred on the 23d of June, Mr. Chapin or Mr. Ehrlichman?

Mr. SLOAN. My best recollection is I probably saw Mr. Chapin around noon and Mr. Ehrlichman around 2 o'clock.

Senator ERVIN. Now, was it the same day that Secretary Stans suggested to you that $81,000 which was still left in the safes at the committee should be divided and you should take half home and he would take custody of the other half?

Mr. SLOAN. Yes, that is my best recollection.

Senator ERVIN. Then, it was the same day that you had a conversation with Mr. Robert Mardian.

Mr. SLOAN. The next day, Senator.

Senator ERVIN. That would be the 24th?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And Mr. Mardian gave you the impression that he had succeeded Mr. LaRue as an investigator on behalf of the committee of these matters.

Mr. SLOAN. He was clearly looking into it. Whether I had the direct impression from him or other sources it was clear in my mind he had this authority at that point to talk to and investigate the matter among other staff members.

Senator ERVIN. At that time you and your wife had been planning to take a vacation to Bermuda.

Mr. SLOAN. Yes, sir.

Senator ERVIN. And when Mr. Mardian asked you something about the financial transactions and about how much money Mr. Porter and Mr. Liddy got, you told him approximately.

Mr. SLOAN. Yes, sir.

Senator ERVIN. Then he advised you to go on your vacation?

Mr. SLOAN. I think when I told him, Senator, at that point I just completed the summary report the day before, I think I gave him a very precise figure. I indicated to him a concern because of the investigations going on at that point in time whether I should in fact go on a vacation under these circumstances. He did not give me an answer at that point in time but called me at home later in the day.

Senator ERVIN. Pursuant to this advice you did go to Bermuda.

Mr. SLOAN. Yes, sir.

Senator ERVIN. And returned on July 4.

Mr. SLOAN. The 3d.

Senator ERVIN. Well, on July 4 Mr. LaRue obtained from you the $40,000 which you had taken from the committee safes and put in the trunk at your home.

Mr. SLOAN. That is correct.

Senator ERVIN. And Mr. Stans gave the $40,000 that he had assumed custody of to Mr. LaRue.

Mr. SLOAN. That is what he indicated to me when I checked on the propriety of having turned that money over to Mr. LaRue.

Senator ERVIN. That same day or same evening Mr. Magruder called you and asked you to come to the Black Horse Tavern.

Mr. SLOAN. Yes, sir.

Senator ERVIN. And you went to the Black Horse Tavern and Mr. Magruder suggested to you that you and he go down and talk to the U.S. District Attorney Titus.

Mr. SLOAN. Yes, sir.

Senator ERVIN. And he wanted you to tell Mr. Titus that you had given only approximately $40,000 to Mr. Liddy.

Mr. SLOAN. Yes, sir.

Senator ERVIN. Now, had you told Mr. Magruder or did you tell him in this conversation that the amounts you had given to Mr. Liddy was $199,000 or thereabouts?

Mr. SLOAN. I don't believe I did on that occasion. The next morning, I knew he knew that that was not a correct figure, which he himself had authorized a figure in the magnitude of $83,000.

Senator ERVIN. You told him you would talk to him the next day about it.

Mr. SLOAN. Yes, sir.

Senator ERVIN. You did talk to him the next day and you told him if you went down to see District Attorney Titus that you were going to make a disclosure of the truth in respect to the amounts you gave to Mr. Liddy.

Mr. SLOAN. Yes, sir.

Senator ERVIN. And Mr. Magruder pursued the subject no further.

Mr. SLOAN. That is correct.

Senator ERVIN. On the evening of July 6, you met with Mr. Kenneth Parkinson and Mr. Paul O'Brien, counsel for the Committee To Re-Elect the President.

Mr. SLOAN. That is correct.

Senator ERVIN. And they suggested that they were afraid you would be called before the grand jury very soon and it would be well for your health, and the committee's health, and somebody's health for you to take a trip to California.

Mr. SLOAN. Senator, I think I expressed the concern about the grand jury. I said I was trying to get information as to what I was supposed to do. My personnel themselves had been subpenaed that same day and in response to my concerns they had not talked to me prior to that point. I eviewed the entire financial disbursements to these key individuals with them. They were shocked by that. They indicated they had been lied to and requested of myself to consider a trip to give them time to confront the officials which they indicated to me had lied to them and they did not identify the officials.

Senator ERVIN. Then that night after you got home you got a call from Fred LaRue who urged you to go to California.

Mr. SLOAN. Yes, sir, that is right. As a matter of fact, he urged me to leave the house that evening.

Senator ERVIN. Did he give you any reason why he thought that you ought to go to California?

Mr. SLOAN. I just do not recall, Senator. It certainly was in the context, I think, of the grand jury appearance that——

Senator ERVIN. Did anybody, did Mr. LaRue, or anybody else about that time tell you that it would be well for you to be out of town a few days so they could get some stories arranged or anything like that?

Mr. SLOAN. No, sir.

Senator ERVIN. No reason whatever was given for it being desirable for you going to California.

Mr. SLOAN. The reason was they wished time to confront the officials at the committee. My information was new to them. They wanted to confront the committee officials who presumably had given them different information than I had.

Senator ERVIN. Now, you did go to California for several days and when you came back I believe it was Friday, the 13th of July.

Mr. SLOAN. Yes, sir.

Senator ERVIN. That is an unlucky day, I have always heard.

At that time Mr. Fred LaRue met you at the Watergate restaurant and advised you that you ought to either commit perjury or take the fifth amendment if you went before the grand jury.

Mr. SLOAN. No, sir; I don't think he advised me to commit perjury. I think the emphasis in that conversation was he was implying to me that I had campaign law problems and that I should very well consider the option of taking the fifth amendment. It was at that point that I told him of the decisions I had already made and I told him in saying I would not consider the fifth amendment. I would also not consider perjury, I had every intention of telling the truth as I knew it.

Senator ERVIN. Had he made any suggestion to you at that time or prior to that time that you ought to minimize in your testimony before the grand jury the amount that you had given to Mr. Liddy?

Mr. SLOAN. Not in relation to any particular proceedings but very early in the first week he had suggested to me that the amount, and I did not have a precise figure, but I knew the general magnitude, would be very politically sensitive and damaging and there was a need to come in with a lesser figure.

Senator ERVIN. Anyway, you drew the inference that Mr. LaRue thought and expressed the thoughts at the meeting at the Watergate restaurant that the only alternatives open for you, as he saw it, was either to minimize the amount that you had given Mr. Liddy or to plead the fifth amendment?

Mr. SLOAN. By the time of the Watergate meeting, the luncheon, I do not know we were at that point even talking the Liddy figure any longer. I think he was talking about the fifth amendment, to deny any information on this subject, period.

Senator ERVIN. And you told him you would not take the fifth amendment?

Mr. SLOAN. Yes, sir. I believe what I told him at that point in time was I did not wish to consider it, as I understood it, but I would want to have private, separate counsel before I made that kind of decision.

Senator ERVIN. Did Mr. LaRue in that same conversation suggest to you that he thought that you ought to resign from the committee?

Mr. SLOAN. No, sir; I told him that is what I thought I ought to do.

Senator ERVIN. And so did he suggest to you that you call Mr. Stans about that or did you tell him you were going to call Mr. Stans about that?

Mr. SLOAN. No, sir; he indicated to me when we left that he would check with the political leadership, without mentioning names, and he suggested I talk to Secretary Stans, that he would let me know what the political people thought, which he never did.

Senator ERVIN. And you did call Mr. Stans and Mr. Stans told you the next morning that you ought not to discuss this matter over the telephone but to come up to the office and talk to him there.

Mr. SLOAN. Yes, sir, but he asked me to stay home until after he talked to the investigators from the Federal Bureau and that I should come in following that interview.

Senator ERVIN. You remember what day of the month that was?

Mr. SLOAN. The 14th of July. I am not sure what day of the week it was.

Senator ERVIN. You talked to the FBI. Had you talked to the FBI at that time? They asked you first, whether you knew Baldwin?

Mr. SLOAN. Yes, sir; that was the only subject matter they covered with me in the one interview I had with them prior to leaving.

Senator ERVIN. After that you had a conversation, you talked to the U.S. district attorney?

Mr. SLOAN. Mr. Silbert.

Senator ERVIN. Was U.S. District Attorney Titus there?

Mr. SLOAN. No, sir, I believe [conferring with counsel] Mr. Titus came in at one point during the interview just to say hello. He did not sit in.

Senator ERVIN. He did not stay?

Mr. SLOAN. No, sir; he did not sit in.

Senator ERVIN. This was on July 20, preceding the September in which bills of indictment were returned and preceding the January in which the trials of those bills of indictment——

Mr. SLOAN. Yes, sir.

Senator ERVIN. And on that occasion you told Mr. Silbert about having given Mr. Liddy $199,000 in cash?

Mr. SLOAN. Yes, sir.

Senator ERVIN. You told him about the efforts on the part of Mr. Magruder and perhaps others, I believe you said, the next day or a day later, to persuade you to commit perjury in case you went before the grand jury.

Mr. SLOAN. Yes, sir.

Senator ERVIN. And you say you told him virtually everything that you have told this committee today?

Mr. SLOAN. I believe so, Senator. There may be some amplifying information that has developed since then but to the best of my recollection I related to them the essential facts I have to you here today.

Senator ERVIN. And that was after it had been stated in the press that $4,300 in $100 bills which came from the campaign funds of the Committee To Re-Elect the President were found in the possession of the people who burglarized the Watergate?

Mr. SLOAN. Yes, sir.

Senator ERVIN. My attention has been called to the fact that this statement about the cash appeared in the Washington Post on June 24.

Mr. SLOAN. It would have been after that.

Senator ERVIN. After that you went before the grand jury?

Mr. SLOAN. Yes, sir.

Senator ERVIN. That was on the day following your meeting with Mr. Silbert in which you told him virtually everything you have told this committee today?

Mr. SLOAN. I saw Mr. Silbert on two occasions prior to the grand jury. My attorney saw him on one and I think I saw him a third time prior to appearing before the grand jury and testified before the grand jury on July 31.

Senator ERVIN. Was there any lawyer there representing the prosecution at the time you testified before the grand jury?

Mr. SLOAN. I am not sure I understand the question.

Senator ERVIN. Was there any lawyer present in the grand jury when you testified there?

Mr. SLOAN. Mr. Silbert and Mr. Campbell.

Senator ERVIN. And did they ask you questions?

Mr. SLOAN. Yes, sir, they did.

Senator ERVIN. Did they ask you questions about the payment of the $199,000 to Mr. Liddy?

Mr. SLOAN. Yes, sir, they did.

Senator ERVIN. Did they ask you questions about the efforts, the advice that you had received from Mr. Magruder and others to commit perjury?

Mr. SLOAN. Yes; I would say roughly, of an hour's time I spent before the grand jury, I would say half of that time roughly was devoted to the Magruder approach to me.

Senator ERVIN. Then later you testified in the trial of the case before Judge Sirica?

Mr. SLOAN. Yes, sir.

Senator ERVIN. Who had the primary charge of the case for the Government before Judge Sirica?

Mr. SLOAN. Mr. Silbert.

Senator ERVIN. Did he question you?

Mr. SLOAN. Yes, sir.

Senator ERVIN. Did he ask you any questions about your paying $199,000 to Mr. Liddy?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And Mr. Liddy at that time was on trial?

Mr. SLOAN. Yes, sir.

Senator ERVIN. Did he ask you anything about any efforts of Mr. Magruder or others to persuade you to commit perjury?

Mr. SLOAN. No, sir; he did not.

Senator ERVIN. Were there any questions asked by him concerning the activities of officers or employees of the Committee To Re-Elect the President?

Mr. SLOAN. I do not believe so. I am not positive of that.

Senator ERVIN. Were you present when Mr. Magruder was interrogated by counsel in the criminal prosecution?

Mr. SLOAN. No, sir; I have never been present when Mr. Magruder has been interrogated.

Senator ERVIN. Were you present when Mr. Silbert made his argument to the jury?

Mr. SLOAN. No, sir.

Senator ERVIN. Did you hear any statement made by any counsel in the case that there was no evidence anybody was implicated in the Watergate affair except the seven men on trial?

Mr. SLOAN. I am not sure, Senator. The only period of my appearance at the trial was just my own testimony.

Senator ERVIN. Do you recall the prosecution of Bernard L. Barker in Miami in connection with an allegation about which he had falsely notarized a signature of Kenneth Dahlberg?

Mr. SLOAN. Yes, sir; I testified at that trial.

Senator ERVIN. Did you have a conversation with anyone, with John Dean—did you have a conversation with anyone concerning the trial in Miami, Fla?

Mr. SLOAN. I did not. I had one conversation with John Dean myself not specifically with regard to the trial but in terms of the extradition proceedings in Virginia where he expressed a hope that my attorneys would oppose extradition. Following that, one of my attorneys, Mr. Treese, received a direct phone call from Mr. Dean.

Senator ERVIN. Mr. James T. Treese was your attorney and he is the gentleman sitting right behind your counsel there?

Mr. SLOAN. Yes, sir; he is.

Senator ERVIN. What did Mr. Treese tell you that had occurred?

Mr. SLOAN. He related to me that Mr. Dean had called him and indicated that Hugh Sloan would be a real hero over here if he took the fifth amendment.

Senator ERVIN. That is in Florida. You would be a real hero.

Mr. SLOAN. Yes, sir.

Senator ERVIN. Did Mr. Dean talk to you yourself about resisting extradition to testify in the Florida case?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And he advised you to oppose extradition?

Mr. SLOAN. He expressed the hope that my attorneys would, yes, sir.

Senator ERVIN. Mr. Treese, I wonder if you would mind testifying a moment. Just stand up and take the oath.

Do you swear that the evidence that you shall give to the Senate Select Committee on Presidential Campaign Activities shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. TREESE. I do.

Senator ERVIN. You were attorney for Mr. Hugh W. Sloan?

Mr. TREESE. That is correct.

Senator ERVIN. And did you receive a call on or about October 21, 1972, in which you received a suggestion about what Mr. Sloan should do about his testimony in Florida?

Mr. TREESE. Senator, I received a call on October 31 on that subject.

Senator ERVIN. Do you know who the call was from?

Mr. TREESE. Yes, it was from John Dean.

Senator ERVIN. What conversation did you have with him?

Mr. TREESE. Mr. Dean called trying to locate Mr. Sloan. That happened to be the day that Mr. Sloan and Mr. Stoner departed for Florida in order to participate in the trial in Miami. As a matter of

fact, Mr. Dean had just missed Mr. Sloan, who had left about a half hour before the call. He called to discuss the case very briefly with me and he said are you prepared to advise your client to take the fifth amendment? I laughed. I would like to explain that. I did not think it was particularly comical as I look back at it now, but taking it in the context of the events at that time, to invoke the fifth amendment on that kind of case, knowing Hugh Sloan as I did and knowing about the case, what I did, was probably like swatting flies with sledge hammers. It was just so out of place and inappropriate that it did cause me to laugh. He pursued the matter and said Hugh could be a real hero around here if the took the fifth. And I said, John, relax. Hugh is with Jim Stoner, he is fully protected. This case has absolutely nothing to do with the Watergate, it just happens to be a case that has come up involving one of the participants in the Watergate, he is going to draw an amount of publicity and attention and quite frankly, Senator, I believe at that time he was reacting in terms of public relations considerations rather than legal analysis of the case.

I did make a promise to him to try to get hold of Hugh and Jim Stoner at National Airport by having them paged at the Eastern Airline counter and I signed off with him at that point. I tried to get them. It was about 15 minutes before their flight time and missed them. I called Mr. Dean back and said you have absolutely nothing to worry about, Mr. Dean, Hugh Sloan is not going to take the fifth amendment. It is totally inappropriate in a case of this nature.

Senator ERVIN. Thank you very much. Mr. Sloan can come back to the stand.

Mr. Sloan, do you know Lee Nunn?

Mr. SLOAN. Yes.

Senator ERVIN. What position did he have with respect to the Committee To Re-Elect the President?

Mr. SLOAN. He was vice chairman of the Finance Committee To Re-Elect the President.

Senator ERVIN. Did he give you any advice as to what you should do in respect to testifying about any of the matters that are being investigated?

Mr. SLOAN. He personally never suggested anything to me except to tell the truth. He relayed to me a telephone conversation, the fact that an invididual whom he refused to name to me from the political committee upstairs had come to his office with the suggestion that he use Mr. Nunn's friendship with me to pressure me to take the fifth amendment. I understood him to undertake that conversation with me on the basis of friendship. He told me essentially to tell the gentleman, whoever he was, that he would in no way advise whoever was in my position to take orders in this situation to take the fifth amendment.

He just conveyed the fact he wanted me to know that there were pressures, external pressures, that might well be brought to bear on me and hurt my testimony as the case developed.

Senator ERVIN. The only identification he gave to you about that certain person who had called him was that it was an official of the Committee To Re-Elect the President?

Mr. SLOAN. Yes, sir. I had the distinct impression that it was a staff member of the political committee.

Senator ERVIN. Yes; but he told you that he was conveying the message to you, but that he would advise you to tell the truth?

Mr. SLOAN. No; he was not conveying that individual's request to me. He told the gentleman that he would in no way ever advise me to take that course of action. He called me just to let me know the fact that someone had approached him with that kind of request. It was purely to inform me, to alert me that pressures might be brought to bear on me over a period of time.

Senator ERVIN. Well, I still repeat what I said earlier in my interrogation of you; I think you have strengthened my faith in the old adage that an honest man is the noblest work of God.

I will also meditate for a moment on the old saying, "What a tangled web we weave when first we practice to deceive."

That is all.

Senator Gurney.

Senator GURNEY. Thank you, Mr. Chairman.

You have certainly been very full in your information to the committee, Mr. Sloan. I think you have covered about all that you know about it. There are one or two little loose ends I would like to clean up this afternoon, myself.

On the interrogation just recently by the chairman, let us go back to that Mexican-Dahlberg transaction.

Mr. SLOAN. Yes, sir.

Senator GURNEY. When did you give the checks to Liddy?

Mr. SLOAN. Essentially what happened here, Senator, the four Mexican checks had come in the night of April 5. They were drawn on a foreign bank. I had no knowledge of whether they were even legal or whether they could be accepted into the campaign. We were so busy in that period of time, I essentially set aside anything that was a problem area to get through this transition period. Probably sometime during that following week, I addressed myself to the problem areas. It was in this case clear by the dates and the checks that they had been issued prior to April 7.

Senator GURNEY. I must say I am really not interested in retracing ground we covered before. I am just curious about the date you gave them to Mr. Liddy.

Mr. SLOAN. I would think it was probably sometime in the week following April 7—probably within a 10-day period.

Senator GURNEY. And he said he would take care of cashing them?

Mr. SLOAN. If I could correct that, Senator, thinking of the Dahlberg check that I gave to him immediately after I received it from Secretary Stans, I would say I probably gave it to him within a day or two after the 7th.

Senator GURNEY. Now, then, you have testified that he returned the cash to you when?

Mr. SLOAN. My best recollection was in the two installments, probably separated by a week or two in mid-May.

Senator GURNEY. And how much was involved, in cash?

Mr. SLOAN. What went out was $114,000, I think. It came back $25,000 short.

Senator GURNEY. Did you ever inquire in that intervening time—I think nearly a month went by—what happened to the money? After all, he was simply to cash these checks and bring back the money, was he not?

Mr. SLOAN. Yes, sir, I did question him on that. He said, "I have given them to people in different places in the country and it takes a while; I will get them back as soon as I can."

Senator GURNEY. Did he ever explain the brokerage fee of $2,500?

Mr. SLOAN. I asked him that question, Senator. He indicated that there were expenses involved. He never gave me a detailed breakdown. At that point in time, it was an accomplished fact. I essentially broke it off, but I believe I told Secretary Stans of the fact that it had been short by that amount.

Senator GURNEY. Weren't you rather suprised that it came back that short?

Mr. SLOAN. Yes, sir; that is a pretty large fee.

Senator GURNEY. I judge, of course, from what we have learned in the testimony here, that the money was used for the Watergate operation.

Mr. SLOAN. Evidently. What happened here, Senator, I think is that I did receive back $112,000 that went into this safe where the funds were commingled and what I suspect probably happened was that some of those same physical $100 bills were paid out again to Mr. Liddy in either that $63,000, but probably in the later two $12,000's.

Senator GURNEY. That was going to be my question. Where do you think he got the money to return to you? Do you think he got it out of some of those first payments out of his $250,000 budget?

Mr. SLOAN. Yes, sir. I think time-wise, I think it must have been part of the two $12,000 disbursements or distributions I made to him in late May or even early June.

Senator GURNEY. By the way, on this fifth amendment advice of Mr. Dean's, did you tell the committee about that before?

Mr. SLOAN. This committee?

Senator GURNEY. Yes.

Mr. SLOAN. We told the staff investigators, yes, sir.

Senator GURNEY. As a little bit of background, it is my understanding that you worked in the White House before you went to the Committee To Re-Elect the President?

Mr. SLOAN. Yes, sir, that is correct.

Senator GURNEY. For whom did you work?

Mr. SLOAN. Dwight Chapin.

Senator GURNEY. How long?

Mr. SLOAN. Two and a half years.

Senator GURNEY. And did you know in the White House Mr. Haldeman, Mr. Ehrlichman, and Mr. Dean?

Mr. SLOAN. Yes, sir, I knew all of them quite well.

Senator GURNEY. You knew them quite well?

Mr. SLOAN. Yes, sir.

Senator GURNEY. You used to see a good deal of them?

Mr. SLOAN. I would not say I saw them regularly. I was at a different staff level than they were. Most of the work went through somebody else, but I was certainly on a friendly, working-type relationship with them.

Senator GURNEY. On the $20,000 payment to Mr. Magruder, did you seek Mr. Stans' approval on that?

Mr. SLOAN. I really do not precisely recall. I think that I accepted that on his own authority, since he was in a position to give blanket authority to other individuals within the campaign.

Senator GURNEY. Do you know what he used it for?

Mr. SLOAN. I have no direct knowledge. I just by rumor heard that it went to pay for a book by Mr. Victor Laskey. The reason I am aware of that is that I was talking to Mr. Vance Shumway, who was a press spokesman for the Committee for the Re-Election of the President. At the time, he had a press inquiry to the effect that Mr. Laskey had identified the Committee for the Re-Election of the President as the source of money for a book he had written. Mr. Vance Shumway asked me whether that was the $20,000 I had given to Mr. Magruder. I said I did not factually know.

Senator GURNEY. What was the book?

Mr. SLOAN. I have forgotten the title.

Senator GURNEY. Was it used in the campaign?

Mr. SLOAN. I think it was.

Senator GURNEY. We have gone over this before, but I am curious. How many people advised you to leave town from time to time? I am just interested in the number and who they are.

Mr. SLOAN. I think the only occasion where I was specifically requested to consider a trip was the occasion of going to California. This was a request by Mr. Parkinson and Mr. O'Brien. Although they said they obviously could not essentially ask me to do it, they said would I consider it. The reason they gave me at that time was that they felt they had been lied to by other officials and the information I was giving them for the first time——

Senator GURNEY. I recall that. I am just, again, interested in names now, not what has been testified before as to why they told you to leave town. Did others sort of make that suggestion now?

Mr. SLOAN. I think only the telephone conversations with Mr. LaRue that night. He emphasized the urgency of my departing.

Senator GURNEY. Going back to the $350,000 to the White House through Mr. Strachan, weren't you curious about that sum of money and what it was going to be used for?

Mr. SLOAN. Senator, after having been through essentially 2 years in this campaign, where there was a very clear separation of a decision as to what money is used for resting with the political campaign, I think my curiosity had really run out by that point in time. So much money had, in a similar way, been distributed by me without knowledge, I was beyond the point of really asking questions.

Senator GURNEY. Did you ever hear Mr. Stans, Mr. Magruder, or anybody give any reason for this large disbursement?

Mr. SLOAN. No, sir.

Senator GURNEY. You testified that you talked to John Dean on many occasions.

Mr. SLOAN. Yes, sir.

Senator GURNEY. Why was that? He was counsel for the President. He did not have anything to do with the Committee To Re-Elect, did he?

Mr. SLOAN. This was essentially after I had left the committee. I am not sure precisely the time—it was at a time——

Senator GURNEY. First of all, did you talk to him at all when you were with the committee?

Mr. SLOAN. In earlier periods with regard to advice on campaign law, particularly the old Corrupt Practices Act, prior to the time we had a full-time counsel with our committee.

Senator GURNEY. I see.

Now, then, go on about the other occasions.

Mr. SLOAN. I do not believe I had any other regular contact with him other than that context while I was at the finance committee. When I left, I saw him the day I resigned, and after I retained counsel or thought I had retained counsel, because this had taken a considerable period of time and my car that was parked in the towaway zone of the White House had been towed away. It was sort of a frustrating day.

Senator GURNEY. What was that? I missed it.

Mr. SLOAN. My car, which had been parked in a towaway zone, that day lasted beyond 4:30 and my car had disappeared following my resignation.

Senator GURNEY. Did that have any connection with Watergate?

Mr. SLOAN. I do not believe so, Senator. I was somewhat frustrated at that point and turned to John Dean, that he might be of some assistance locating where the Metropolitan Police Department might have placed it, and he was very helpful in that regard.

Senator GURNEY. He certainly has a lot of contacts.

Well, continue, now, on your contacts with Mr. Dean after you left the committee.

Mr. SLOAN. Sir, he, Herb Kalmbach, and Maury Stans, throughout this period, would essentially call me every week or so to see how I was doing, take the temperature of the water, so to speak.

Senator GURNEY. Could you tell us a little more about these conversations?

Mr. SLOAN. I really can't Senator. They were very indefinite. Maury Stans occasionally would ask me advice on some of the civil litigation that had come up—what do you think we ought to do about this, how is your family? It was generally that kind of conversation. There were a number, but I really can't characterize them in terms of any specific substantive material.

Senator GURNEY. But this was Dean calling you now?

Mr. SLOAN. Yes, sir; and at various times, I would call him. At that point, I understood that he was handling within the White House the investigation of this matter. I sought him out, surely, after I had resigned to give him the same information I had given everybody else with regard to the money and the Magruder approach.

Senator GURNEY. As I understand it, these are conversations generally by him to you to find out anything he could find out. Is that it?

Mr. SLOAN. Well, he generally would not—my judgment was that he was not seeking information from me with regard to what had happened after I had resigned and the money and the Magruder approach. I really had to force it on him. I went over and saw him one day and said, this is what I think happened; I understand you are doing an investigation.

One day we had a conversation about Mr. Magruder which continued on. I think this must have been later after—I am not sure of the

exact timing, but I expressed a feeling to him that I had felt so strongly about what Mr. Magruder had—not so much what he had suggested, but what he had forced on me in the way of a personal decision, and the very nature of the suggestion, that I expressed to Mr. Dean the thought that if Mr. Magruder ever were presented before a Senate committee for confirmation for a high public office, I would personally seek out that committee and voluntarily testify against him.

Senator GURNEY. What did Mr. Dean say to that?

Mr. SLOAN. He said, it will never happen.

Senator GURNEY. How many phone conversations would you say you had with him and during what period of time? Just approximately.

Mr. SLOAN. I am not sure, Senator. They might have come up 2 or 3 weeks apart, throughout the period leading up to the trial.

Senator GURNEY. This is from July 1972 until January 1973?

Mr. SLOAN. Yes sir.

Senator GURNEY. And is it your impression, then, that he made these conversations because he was in charge of the White House investigation, the Watergate investigation?

Mr. SLOAN. No; my impression more was that it was a personal concern. He was just checking to see how I was. He was involved with—Herb Kalmbach, for instance, had offered to assist me in seeking private employment. We discussed my going to law school. He suggested I see John Dean on that matter, if John had any suggestions. It was generally this kind of a conversation.

Senator GURNEY. Has he ever made any suggestion to you other than the one you discussed with the chairman on the fifth amendment advice as far as testimony in the grand jury or this committee is concerned?

Mr. SLOAN. No, sir, I do not believe he has ever given me any legal advice in that context.

Senator GURNEY. In all of these conversations, did he ever mention the name of President Nixon?

Mr. SLOAN. Not that I recall, Senator.

Senator GURNEY. You testified that you went to California. That was when you were asked to leave town for a while, I do not think you told us what you did in California. Would you describe to the committee what you did?

Mr. SLOAN. Well, I forget where Secretary Stans was. I could not join up with him until that Sunday night. There was a meeting on the California budget——

Senator ERVIN. There is a vote on the floor of the Senate, so maybe we had better go over and vote and come back.

[Recess.]

Senator ERVIN. Senator Gurney.

Senator GURNEY. Thank you, Mr. Chairman. I think we were discussing the time that you were in California, Mr. Sloan.

Mr. SLOAN. Yes, sir.

Senator GURNEY. You had described what your activities were there at that time.

Mr. SLOAN. Until that Sunday evening when I joined Secretary Stans I had gone to San Francisco and spent a day and a half in my hotel room. I joined Secretary Stans for the budget meeting. When we

concluded that we flew to—I think Portland, Oreg., where we had fund-raising meetings. I think there was one other stop and we went to Des Moines for a meeting there and at that point I had a call to come back.

Senator GURNEY. From whom?

Mr. SLOAN. I am not sure whether it was one of the attorneys or Fred LaRue himself. I was asked to come back a day earlier than the scheduled trip for Secretary Stans.

Senator GURNEY. What about the discussions on the budget, what budget was this?

Mr. SLOAN. At this point in time we were attempting probably I think for the first time in a Presidential campaign to incorporate the 50 State budgets in an overall budget nationally and there was rather acrimonious discussion of what was the proper amount for California to do the job they thought they ought to do. Someone had gone out there to try to solve a problem.

Senator GURNEY. While you were in California did you have any telephone discussions with anyone in the Committee To Re-Elect here in Washington?

Mr. SLOAN. I probably did. I am sure I probably checked with my office secretary. I recall none that would be pertinent in this context.

Senator GURNEY. We have covered this before, the rather humorous advice you received from Mr. Mitchell and I don't want to go over that again except I wish you would explain in more detail exactly how the conference between you and Mr. LaRue and Mr. Mitchell came about.

Mr. SLOAN. I was talking to Mr. LaRue in his office about these general financial matters, particularly about a $50,000 contribution that Mr. Porter had brought in post-April 7, for which there was no identification of the donor. It was during this conversation that I had a call from my secretary indicating the two gentlemen from the Bureau were waiting in my office to see me. I asked Fred what I should do and he said before you go down I think you ought to see John Mitchell, and why don't you wait here, I will go down and see him. And he went down and came back in a few minutes and took me down into the room I believe where Bob Mardian was.

Senator GURNEY. He took you to Mr. Mitchell's office.

Mr. SLOAN. Yes, sir. Mr. Mardian was there, I believe. Of course, Mr. LaRue and possibly Jeb Magruder. Mr. Mardian suggested the first thing I ought to do is calm down a little bit.

Senator GURNEY. This is when you first entered the office.

Mr. SLOAN. Yes, sir.

Senator GURNEY. Mr. Mardian was the first person who said anything.

Mr. SLOAN. I believe that was the sequence, yes, sir.

Senator GURNEY. Go on.

Mr. SLOAN. Then it was a very brief meeting. I think I essentially asked what is going on. The agents are here, they want to talk to me, and my assumption at that point was that they were probably there to talk about financial matters.

I was hoping for some enlightenment or somebody to say don't worry about it, we have an accounting of all of this, or something of that sort. Instead, I got the remark of Mr. Mitchell's.

Senator GURNEY. That was the only thing that was said in this meeting.

Mr. SLOAN. Senator, I am sure there was more said but that essentially rocked me back so far on my heels I have forgotten all the rest. I came away from the meeting with a feeling of absolutely no guidance as far as what I should do with the FBI and particularly no guidance with regard to the whole general problem.

Senator GURNEY. How long did the meeting last?

Mr. SLOAN. I think it was only a couple minutes because the Bureau was waiting.

Senator GURNEY. Was the advice flippant, was it serious or wasn't it?

Mr. SLOAN. I don't think anybody was being flip. I think he was being serious but I did not understand what he meant to convey by that remark.

Senator GURNEY. I would like to go over again the Chapin and Ehrlichman meetings. They were very important. By the way, in that meeting with Mitchell, LaRue, Mardian, Magruder, and yourself, did the name of President Nixon come up at all?

Mr. SLOAN. No, sir, Senator, as a blanket answer to that question, I don't believe the President's name had come up in any conversations I have had with anybody in any meaningful way.

Senator GURNEY. Well, now, let's go to these Chapin-Ehrlichman meetings again, and there again could you construct in narrative detail about the meetings with Mr. Chapin at 12 o'clock?

Mr. SLOAN. I really with the passage of time cannot really reconstruct the nature of the way I expressed a concern to them. The responses, as in the case of Mr. Mitchell's response, were very cryptic and they stick very strongly in my mind. Beyond that, I really cannot be very helpful.

Senator GURNEY. Mr. Chapin, of course, had been your boss for 2½ years, hadn't he?

Mr. SLOAN. Yes, sir.

Senator GURNEY. How long was that meeting?

Mr. SLOAN. I am not sure, probably 20 minutes. We discussed some other things.

Senator GURNEY. Did you discuss with him any of the Liddy payments?

Mr. SLOAN. I am not just sure. I suspect, Senator, at that point in time I would probably have been very reluctant to make any specific accusations in terms of Mr. Liddy or anybody else. I think I was attempting to convey the general information there is a hell of a problem over there and somebody has to really look into it.

Senator GURNEY. As best you can say, well how long was the Ehrlichman meeting?

Mr. SLOAN. I am just not sure, Senator. Aside from the remark, they were all very friendly, talked about other things, families. It was a period of time of normal social interchange prior to getting these specifics we have discussed here.

Senator GURNEY. And the only discussion was just an indication on your part of a general alarm as to what was going on down at the Committee To Re-Elect and somebody ought to do something about it.

Mr. SLOAN. And also a personal fear I think with regard to the situation I found myself in.

I just cannot reconstruct my own thinking or what I would have conveyed at that particular point in time.

Senator GURNEY. And again was there any indication in these meetings that President Nixon knew anything about what was going on at the Committee To Re-Elect the President?

Mr. SLOAN. No, sir, the President's name in any conversation I had with anybody with regard to the Watergate or related matters I don't believe has ever come up.

Senator GURNEY. The summaries of cash disbursements that you gave to Mr. Stans, in your testimony you said you destroyed these after you gave them. Why was that? Why didn't you keep a record of those?

Mr. SLOAN. Senator, my understanding of Secretary Stans' instruction, and I think this has to be put somewhat in the context of what was happening there, we had had a number of different kinds of records. Decision had been made to remove all of the pre-April 7 records from the committee, as a part of the past. The question was constructing the kind of records for internal use that we want to have available to us as an aid in our fundraising post-April 7. Essentially, it would be we are after a man for you, target him as a man capable of giving $50,000. You would want to have available to you a record that indicates he has already given 25 in the pre-April 7 period, so when you went back to him you would have this fact in mind. So it was a 2½-month period attempting to unscramble essentially what was a nightmare influx April 5 and 6, and put in a useable form. This finally consisted of the cash summary on the one side and on the other a total listing of all contributors by category. Category 1 might have been all contributors who had given above $50,000. Category 2 might be $100,000 or above, for instance. So, what was being requested was either a single copy or two copies to be tightly held of this kind of information and the request that had been made of me by Secretary Stans was a single copy of this final report.

I, in destroying the backup material, I did so with the clear and positive understanding relayed to me by him that he intended the material I gave him, which covered the same transactions essentially in a different format as a permanent record of the campaign. I assumed that that record would still be in existence but it evidently is not.

Senator GURNEY. And you also understood as part of that transaction that he wanted you to get rid of the backup information so there would only be one copy in his possession.

Mr. SLOAN. I suppose it is an inference he asked for one and the recommendations to me or the conversation that led to my destroying the earlier reports and the summary book was with Mr. Kalmbach, when I asked his advice now that we have checked this all out and I have this final report ready, what do you think I ought to do with these records? He operated as my boss through the entire earlier period, had a very close relationship with Secretary Stans, he was clearly a person I would look to for guidance in this kind of situation.

Senator GURNEY. Now then, on this whole business of cash, some of which was deposited according to the graph up there, and some was paid out.

Was there any general discussion between you and Mr. Stans or anybody else as to how cash was to be handled, that is, what was to be kept in safes and what was to be deposited in bank accounts?

Mr. SLOAN. I would say the physical security of the money would be a judgment I would have made as to where to keep it. I would say, on handling of any deposits or any distributions of funds, I never made—with one possible exception of reimbursing somebody for a travel expense when there wasn't somebody else to write a check—I would say virtually every decision was made by somebody else, and with regard to the deposits, all those instructions came from Secretary Stans.

Senator GURNEY. Well, what were those instructions? You come on board as treasurer and Stans is the fundraiser. Somebody must have said all cash that comes in we are going to put in a lockbox or a safe. Did anybody say that? When did they say it? Who made that decision?

Mr. SLOAN. Senator, it goes all the way back to March 1971 and I am not quite sure how it evolved, but it was clearly my responsibility in terms of preserving the physical security and a record of what was received in cash and what was not.

Senator GURNEY. I understand that. But my question really is, who made the decision that cash would be kept in safes and lockboxes and not deposited in bank accounts?

Mr. SLOAN. I would have to make an assumption here because I would not make the decision myself. I would suspect that this procedure evolved back in the period of time because cash was being received then and it has always been handled essentially the same way by Mr. Kalmbach. As to the making deposits out of this, in reviewing periodically the interim reports on cash funds and balance on hand in the office, Secretary Stans often said in the pre-April 7 period, this is too high a balance, we don't need that much. Why don't you deposit $100,000 in $3,000 increments among a number of our committees, and I would follow that instruction.

Senator GURNEY. Well, now, when he said, this is too much, we do not need this much—what did he think he needed the amount that he was keeping in cash for, anyway?

Mr. SLOAN. Senator, I am not sure. He was fully aware that people were drawing on a cash fund. He was fully aware that people did have authority to come to him. I do not know how he made his estimate of what the appropriate amount available at any one time was.

Senator GURNEY. Well, now, may I try to reconstruct the testimony? As I understand it, from your understanding as the keeper of the money here, you first got the idea from Kalmbach that cash money was to be kept either in lockboxes or in safes. Is that right?

Mr. SLOAN. I am sure it came from him, the more I think about it, because it was from him that I got the initial instructions on who should be the signatories on a safe deposit box and a procedure to have more than one signature for access if two people would have to go at any one time.

Senator GURNEY. Then after the transfer to the Committee To Re-Elect the President—that is, the finance committee—you just continued that practice and then as far as the amounts of cash were concerned, that remained in either lockboxes or laid in safes, that decision was made by Mr. Stans, is that correct?

Mr. SLOAN. Yes, sir. I never made, to the best of my recollection, any deposit out of these funds without having had instruction from him. In terms of distribution, it would have been one of the various

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people we have discussed that had authority, that I recognized their authority to make this decision.

Senator GURNEY. Did you ever ask Mr. Stans, what do we need to keep this cash here, x hundred thousand dollars and what do we need it for?

Mr. SLOAN. No, sir, I never asked him that, except in the—no; I never asked him that kind of question.

Senator GURNEY. Who had access to the lockboxes?

Mr. SLOAN. I think it varied at different times. I think initially, probably Mr. Kalmbach and myself were two of the signatories; probably two of the girls in my office were the other two. It would have taken two at any one time. Maybe there were only three at that point.

Senator GURNEY. Where were the lockboxes?

Mr. SLOAN. In the bank vault downstairs of the building where we were located, the First National Bank of Washington.

At that time, Mr. Francis Raine——

Senator GURNEY. Mr. Francis who?

Mr. SLOAN. Raine, R-a-i-n-e, of California, was a signatory on one of the boxes.

Senator GURNEY. Now, he worked for the Committee To Re-Elect the President?

Mr. SLOAN. No, sir; he did not.

Senator GURNEY. Who did he work for?

Mr. SLOAN. My first meeting with Mr. Raine was, I believe, sometime in February 1972, when he transmitted to Washington on behalf of Mr. Kalmbach several hundred thousand dollars in cash which were represented to me as being a carryover of 1968 funds. I think we had initially set up a separate safe deposit box from the one we already had for those funds.

Senator GURNEY. Any of them had access to the lockboxes during the time Mr. Kalmbach was your boss; is that right?

Mr. SLOAN. Mr. Stans may have been in place at that point in time, but Mr. Kalmbach was still very active as a fundraiser and at one point in time in March was actively an officer of the committee.

Senator GURNEY. Do you know whether Mr. Raine ever made any withdrawals of cash at any time?

Mr. SLOAN. I know he has not, because I kept the records and eventually consolidated this all in the safe in the office. I can verify that no money that ever came under my control was ever taken out without my knowledge.

Senator GURNEY. And who else had access to the lockboxes?

Mr. SLOAN. I think just so there would be other people around, I think Jane Dannenhauer, my secretary, would have been a signatory. Eveline Hyde might have been. I think Judy Hoback, just as a function of having somebody who would be there if Mr. Kalmbach came to town and I was out, just so somebody would be in the office who could act as a second signatory.

Senator GURNEY. Any withdrawals of cash from lockboxes were made by you, is that correct?

Mr. SLOAN. Yes, sir.

Senator GURNEY. How many were made?

Mr. SLOAN. I have forgotten, Senator, precisely when we got the safe. The procedural handling of cash funds was the same throughout.

I kept a cash-in and -out book, recording receipts and distributions, so that I kept an ongoing record wherever it happened to be at that particular time.

Senator GURNEY. This is a record you later gave to Mr. Stans?

Mr. SLOAN. In summary form. In other words, the figures would be aggregated—Mr. Liddy, $199,000—not just the individual occasions.

Senator GURNEY. With regard to access to the safes, who had access to the safes?

Mr. SLOAN. When it was in my office, I had the combination. I think my secretary had it as well. When it was moved into Arden Chambers' office, only Secretary Stans and I had it.

Senator GURNEY. Whom did you have the most contact with in the Committee To Re-Elect the President? Whom did you see most of, have transactions with?

Mr. SLOAN. You mean within the political committee in terms of——

Senator GURNEY. Yes.

Mr. SLOAN. Probably Rob Odle, because in our internal procedures in approving bills and so forth, he was really the central point for the political committee on where those bills came from. His signature was necessary to approve them; they would come through him and be sent down to myself. I would say he was the principal person I had any regular contact with. I obviously saw some of these other people almost day-to-day, but not too often in the business sense.

Senator GURNEY. Did you ever have any contact with Mr. Haldeman?

Mr. SLOAN. Not from the time I joined the committee until fairly recently. I have seen him once since I joined the committee.

Senator GURNEY. When was that?

Mr. SLOAN. I think it was probably sometime in January, Senator.

Senator GURNEY. What was the occasion of that meeting?

Mr. SLOAN. I sought him out. At that point I had rejoined the finance committee as a consultant. Since he had gotten me into the campaign, I had made certain decisions. I wanted to, before I left town—and I was making plans to do so—I wanted to advise him essentially on the basis of the information that I had at that time, that I had totally supported the President of the United States and that my leaving the campaign was not intended in any way to reflect on that, but that essentially, I was unwilling to follow the advice of some of his advisers at this time. I felt that having worked for him, on the way out, I just wanted to let him know what I had done and why I had done it.

Senator GURNEY. What is this about following advice of someone?

Mr. SLOAN. I had the feeling—I think the term has been used by some of your staff investigators—that I was considered "off the reservation" as far as the White House and the campaign committee were concerned because of the actions I had taken. I did not know, for instance—I knew that Bob Haldeman had regular access to the President. I felt that any information on me quite probably had never gotten there, and that I felt that I knew him well and that I just wanted to make one effort to put on the record there how I felt about things and why I had done them.

Senator GURNEY. This occurred in January 1973?

Mr. SLOAN. I believe so, Senator. I am just not sure.

Senator GURNEY. Where did the meeting occur?

Mr. SLOAN. In Mr. Haldeman's office.

Senator GURNEY. Did you seek the audience with him?

Mr. SLOAN. Yes, sir; I did.

Senator GURNEY. How long did it last?

Mr. SLOAN. About 45 minutes.

Senator GURNEY. And would you be a little more specific about what you discussed in the meeting?

Mr. SLOAN. It was a very friendly meeting. We discussed my future. I think we discussed Mr. Magruder. I think I may have, whether by name, I mentioned how strongly I felt about certain individuals in terms of what they had done that I thought was wrong. I told him that I thought positive action should have been taken away back when. I was seeking his counsel a little bit in terms of employment as well.

I told him that I fully understood why, under the umbrella of what had happened in Watergate, it would be inappropriate of me in any case, regardless of your instance, to seek employment in Government. He was just very friendly and cooperative and agreed with that analysis. He said if I ever wanted to come back in Government 2 years from now, he would be glad to recommend that. It was that kind of a conference.

Senator GURNEY. And your conversations about the President—I was quite clear about that. You professed faith in him. Is that what you generally said?

Mr. SLOAN. Yes, sir. Looking at this whole problem in a time perspective, I felt that a long decision had been made, in a way, what to do about this matter. At that point in time, I think the trial had already been and it looked as if that was the end of the line, that was as far as it went. It looked as if, in a way, aside from the convicted individuals, that essentially, in a way, I was the only big loser on this thing. I think it had been interpreted at the White House, by people I considered friends over a long period of time, that there was something I had done that was improper. I think I just wanted to express my side of the story to someone who I felt could make a difference before others.

Senator GURNEY. Did Mr. Haldeman mention anything at all in that conference about his involvement in Watergate or anybody's involvement in Watergate?

Mr. SLOAN. He indicated to me that he had absolutely no involvement in Watergate. He knew about the Segretti matter and indicated, you know, when the full story was told, that would be understandable. We did not go into any great depth about this.

He admitted to me that he felt that some mistakes had been made in the handling of the Watergate matter.

Senator GURNEY. Was there any mention of the President other than the one you have referred to by yourself?

Mr. SLOAN. I am not sure I even mentioned the President's name. I think it was just a feeling that, being close to the President, I felt a lot of information because of the peopl involved, I was getting blacklisted, essentially.

Senator GURNEY. What did he say about Mr. Segretti? Did he mention when he had learned about Segretti?

Mr. SLOAN. It was a passing reference in response to my explaining to him why I had done certain things. He just said, well, the Segretti thing, when it comes out, will be understandable—he probably said

to the American people. He said, I personally know the story on that; that will be defensible. He said, the Watergate, I do not know about. He said, I have no knowledge.

Senator GURNEY. Have you had any conversations with Mr. Ehrlichman other than the one you have told about?

Mr. SLOAN. No, sir.

Senator GURNEY. With Mr. Chapin other than the one you have told us about?

Mr. SLOAN. I attempted once, after he joined United Airlines, to have lunch with him when he was leaving town, but he was unable to arrange it.

Senator GURNEY. Do you know anything at all about the coverup of Watergate?

Mr. SLOAN. Only what I have read in the newspapers, Senator.

Senator GURNEY. You do not know anything of your own personal knowledge?

Mr. SLOAN. I would say the only comment I have even heard that would be relevant was a comment by Secretary Stans to me when we were in a legal conference sometime in, I guess it would be April of this year, where we were asked by the attorneys—we were addressing ourselves to certain litigation in certain civil matters—to leave the room for a while and we were chatting informally. I think this afterward came out in the press. He said, well, I think we know now where the $350,000 went, referring to the subsequent transfers, as I understand it from news reports, of that money to Mr. LaRue.

Senator GURNEY. You have mentioned the advice from Mr. Magruder about perjury and also the fifth amendment advice from Mr. Dean. Did anybody else try to give you any advice on what to say to the grand jury or this committee or anyone else about Watergate?

Mr. SLOAN. I do not believe so, Senator. I think that covers it.

Senator GURNEY. There was one mention in one report about the GAO investigation and their having difficulty in locating you. Could you tell us about that, their investigation, you know, in July and August of the funds of the Committee To Re-Elect?

Mr. SLOAN. Senator, with regard to the General Accounting Office, I believe we have responded to every request they have ever made, either in writing, in written interrogatories. I had been traveling at times. It evidently has not been timely from their standpoint, but we have made every effort to be cooperative.

Senator GURNEY. Whenever they have gotten in touch with you, you have tried to cooperate fully?

Mr. SLOAN. Yes, or my attorney, by transference of their requests by virtue of attorney or some other way, yes, sir.

Senator GURNEY. We certainly appreciate your cooperation.

Senator ERVIN. If there is no objection from anybody on the committee, the committee will stand in recess until tomorrow morning.

Mr. Sloan, you will be back in the morning?

Mr. SLOAN. Yes, sir.

[Whereupon at 4:20 p.m., the committee recessed to reconvene at 10 a.m., Thursday, June 7, 1973.]

THURSDAY, JUNE 7, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to recess, at 10 a.m., in room 318, Russell Senate Office Building, Senator Sam J. Ervin, Jr. (chairman), presiding.

Present: Senators Ervin, Talmadge, Inouye, Montoya, Baker, Gurney, and Weicker.

Also present: Samuel Dash, chief counsel and staff director; Fred D. Thompson, minority counsel; Rufus L. Edmisten, deputy chief counsel; Arthur S. Miller, chief consultant; Jed Johnson, consultant; David M. Dorsen, James Hamilton, and Terry F. Lenzner, assistant chief counsels; Barry Schochet, Phillip Haire, and Marc Lackritz, assistant majority counsels; Eugene Boyce, hearings record counsel; Donald G. Sanders, deputy minority counsel; Howard S. Liebengood, H. William Shure, and Robert Silverstein, assistant minority counsels; Pauline O. Dement, research assistant; Eiler Ravnholt, office of Senator Inouye; Robert Baca, office of Senator Montoya; Ron McMahan, assistant to Senator Baker; A. Searle Field, assistant to Senator Weicker; John M. Walz, publications clerk.

Senator ERVIN. The committee will come to order.

The New York Times and the Washington Post carried news dispatches indicating that papers identified as the so-called "Dean Papers" have been released in some manner to the New York Times and published in part in the New York Times.

When Judge Sirica ordered a copy of these—I do not know whether they are the same papers but indications are that they are—ordered copies of the papers which Mr. Dean allegedly carried from the White House and placed in the safety deposit box and later surrendered to Judge Sirica and furnished to this committee. I have a very wise man for a vice chairman of this committee. In spite of his youthful appearance, he has wisdom of the ages and he suggested to me when the papers were received that we deposit them in a secure place under the most watchful security officer, and I am happy to report that an investigation made this morning indicates that any release that may have been made to the press of any papers of this nature did not come from this committee. These papers were deposited under the understanding they would be kept secure, that no one would have access to them except the Senators who constitute members of this committee, and that no member of this committee would make any notes in respect to those papers. So I am glad to be able to report that however the New York Times may have gotten copies of any papers of that nature, that they had not come from this committee or from copies of the copy deposited with this committee under order of Judge Sirica.

I would be glad to have my wise colleague make a statement on this point.

Senator BAKER. Mr. Chairman, thank you very much. Whatever wisdom I have in that respect I learned from you.

But anyway, I think it might be of some interest to know how we provided for the security of these documents.

Judge Sirica ordered a certified copy delivered to us provided that the documents would be delivered to the chairman and vice chairman for disposition as they directed. Senator Ervin and I, in accommodation of that suggestion by Judge Sirica, conferred on how best to provide for the security of documents that are considered classified at a very high level.

I am also a member of the Joint Committee on Atomic Energy. The Joint Committee on Atomic Energy has the highest security custodial facilities. The committee permitted us then to provide for separate storage of those documents in a separate safe under the direction of the security officer of the Joint Committee on Atomic Energy, in a secure area protected 24 hours a day by guards, protected by automatic detection systems, protected by other devices that, I believe, virtually guarantee that there would not be intrusion into that area. No one has seen those documents except the members of this committee plus the chief counsel and the minority counsel. No one has taken those documents out of the secure area. Those documents are still in a secure area.

It is a matter of some pride the Joint Committee on Atomic Energy since its instigation, since its beginning, has never had a security leak and I am sure this does not constitute an exception to the rule.

Senator ERVIN. Any other member of the committee desire to make any statement before we resume the questioning of the witness?

Senator Inouye will resume the questioning of the witness.

Senator INOUYE. Thank you very much, Mr. Chairman.

Mr. Sloan, I gathered from the testimony yesterday you have been involved in raising funds, political funds since 1965; is that correct?

TESTIMONY OF HUGH W. SLOAN, JR.—Resumed

Mr. SLOAN. Yes, sir, that is correct.

Senator INOUYE. I would gather that this would qualify you as an expert in political fundraising.

Mr. SLOAN. I am not sure anybody really becomes an expert in this area, Senator.

Senator INOUYE. I gather also from the testimony yesterday that you were a member of the budget committee.

Mr. SLOAN. Yes, sir, that is correct.

Senator INOUYE. Who were the other members of this committee?

Mr. SLOAN. To my best recollection it was Mr. John Mitchell, Mr. Maurice Stans, myself, Mr. Lee Nunn, vice chairman of the financial committee, Mr. Jeb Magruder and Mr. Fred Malek. Mr. Robert Odle participated in those meetings in the form of keeping the notes of changes and so forth as we proceeded through budget reviews. He would take that information, recollate it and revise it and provide the working papers for any subsequent meeting.

Senator INOUYE. Would you call this a high echelon policy committee?

Mr. SLOAN. Yes, sir.

Senator INOUYE. Now, did this committee decide upon how funds were to be spent?

Mr. SLOAN. Yes, sir, it really had a dual function, which is the reason for the joint representation essentially, of the political members and the finance members.

The finance input essentially into budget committee meetings would be to indicate at any particular point in time what our best estimates might be of what we realistically felt we could raise in terms of funds for the total effort.

We also had responsibility in providing a detailed budget for our own operating overhead for the finance committee as one of the items considered in these meetings.

The political committee essentially working with the guidelines we gave them, for instance, if you are talking about a $40 million campaign, each of the various differentials would begin the process by indicating the tasks they wanted to accomplish and how much they thought it would cost. The process within these meetings would be to review these in total and totals might come in at $60 million and subsequent discussions would generally be along the line: where did you cut, where do we establish our priorities, how do we get all of the individual departments and divisions so they fall within the ceiling set by the finance committee in terms of total dollars expected to be raised.

We subsequently were in the process which we had not completed at the time I left of setting up a monitoring function where we would report back to the various divisions on essentially a monthly basis as to how they were doing versus the funds they were allowed within their budgets.

Senator INOUYE. So in your budget committee discussions you discussed the purposes for which these funds were to be used?

Mr. SLOAN. In broad categories. There would be, for instance, in considering the advertising budget, the members of that department would come in, essentially make a presentation and say our judgment is we should allocate 60 percent of this money for television, 10 percent for radio, and so forth. But generally, to these kinds of dimensions there would often be discussion of whether that is the proper allocation in terms of percentages and so forth.

Senator INOUYE. Would the disbursement of $1 million qualify for discussion in these meetings?

Mr. SLOAN. I believe it should have. I never heard any of these funds listed here ever discussed in any budget.

Senator INOUYE. Did you ever discuss clandestine activities?

Mr. SLOAN. No, sir; I never heard any such discussion.

Senator INOUYE. Was it the practice of your budget committee to dispense $300,000 or a $1.7 million without your knowing what the purpose was to be?

Mr. SLOAN. As I indicated, Senator, these funds and the authority that was set up to disburse them was never a subject of any budget committee meeting in which I sat. I did not sit in all of them.

Senator INOUYE. You just took it on face value that it was to be spent for legal purposes.

Mr. SLOAN. Absolutely.

Senator INOUYE. Never got suspicious?

Mr. SLOAN. Not at the time I was doing it. Certainly, following June 17, yes, sir.

Senator INOUYE. Did your office, the White House and Internal Revenue Service ever get together to discuss how the laws of the United States, the tax laws of the United States would be skirted to raise funds such as, for example, avoiding payment of capital gains taxes?

Mr. SLOAN. There were discussions, I am not sure quite the context you presented, Senator. Opinions on the subject of capital gains liability were sought from various legal sources independent as well as, I believe there were opinions probably from counsel in the White House at early stages since we did not have a full-time counsel ourselves.

With regard to the other matters, for instance, the gift tax liability to donors, I believe both our Party as well as the Democratic Party were urging, I believe, cooperatively an attempt to reverse the decision to get some kind of a decision that would do away from the necessity of these multiple committees which are real headaches and nightmares for people involved in the mechanical end of fundraising.

Senator INOUYE. I have here a draft letter prepared by Mr. Thomas Pike, cochairman of the California Committee To Re-Elect the President. It is a draft letter which is addressed to you, sir. It is a form letter that one would fill out when he wishes to contribute stocks and securities.

Mr. SLOAN. Yes, sir.

Senator INOUYE. Did you receive any stocks and securities?

Mr. SLOAN. Yes, sir; we received a very large proportion, particularly in the pre-April 7 period, of our receipts in the form of securities.

Senator INOUYE. What was the scheme, sir?

Mr. SLOAN. Excuse me, sir?

Senator INOUYE. What was the scheme involved?

Mr. SLOAN. The scheme, sir?

Senator INOUYE. Yes.

Mr. SLOAN. I do not believe there was any scheme. I think in terms of fundraising, anything that is of value essentially can be accepted into a campaign. Securities, as far as I know, certainly not in the magnitude or quantity that existed normally in a Presidential campaign, have been handled by finance committees regularly. For instance, when I was with the Republican National Committee, there would be contributions in the form of securities.

Senator INOUYE. What was the magnitude of the funds received through this means?

Mr. SLOAN. I would be guessing, but I would say probably a third, maybe more.

Senator INOUYE. Twenty million dollars worth?

Mr. SLOAN. No, sir, that would be—I am not familiar with the receipts following June. The period I am really familiar with is the $20 million we raised essentially from March of 1971 through the April 7 period. I would say a third of that figure probably would have been in securities.

Senator INOUYE. Was this a scheme where one business stocks, say, 10 years ago at $10, and the value is now $50 and you get it for $50 and the donor does not have to pay any tax on it?

Mr. SLOAN. I do not believe it is a scheme, Senator.

Senator INOUYE. Other Americans have to pay taxes, don't they?

Mr. SLOAN. Well, I am not a tax expert. The legal opinion we had under which I was operating essentially said that this turning the securities over, in other words not cashing the securities—if the individual had cashed the securities himself, he obviously had a capital gains liability. But in making the gift in the form of securities, that liability did not go back to the donor. The legal opinion as to the status of the committee which I understood we were operating under, and there were—I believe there are legal opinions in the files of the committee supporting this—was that the committee essentially is a nonprofit organization in the sense that it is not a moneymaking business and at the conclusion of the campaign, all its assets essentially are liquidated.

Senator INOUYE. I have with me a copy of a GAO report dated May 20, and in this report, you have listed several disbursements. However, I notice that the cash disbursement which is noted on this board to Mr. Lankler is not listed in the GAO report. Would you tell the committee why you did not advise the GAO as to the $50,000 cash disbursement to Mr. Lankler?

Mr. SLOAN. Yes, sir, at the time I was giving the information contained in that report, I did not recall that particular transaction or, I believe, a number of other ones. This has been an attempt over a period of time with the General Accounting Office, from memory, to try to reconstruct what in fact has happened. The Lankler transaction and one or two others were brought to my attention, to my attorney's attention, through another gentleman's attorney.

Senator INOUYE. What was the purpose of this disbursement?

Mr. SLOAN. Excuse me?

Senator INOUYE. What was the purpose of this cash disbursement to Mr. Lankler?

Mr. SLOAN. Mr. Lankler?

Senator INOUYE. Yes.

Mr. SLOAN. As I understand it—I am not totally clear, as I was not present in the earlier periods. But my understanding of the situation that led to that distribution to Mr. Lankler was that in the setting up of our fundraising operations, that I believe Secretary Stans had made an arrangement with the fundraisers in Maryland who were working in behalf of the President that all the funds they raised in a certain period would be turned in to the national headquarters. In other words, they would not hold out funds for their own operation. As I understand it, in return for this, there was an understanding that when they had a major undertaking such as the, I believe it was an Agnew dinner in this case, that they would get seed money back from us on a loan basis to run their dinner and that this would be reimbursed to us out of the receipts of the dinner.

Senator INOUYE. I gather from yesterday's testimony that as treasurer of this committee, you had listed on one sheet of paper all of the cash disbursements that you had made.

Mr. SLOAN. Senator, that listing of cash funds, that does not represent a listing of a committee. Those funds were funds of multiple committees. This was merely an internal control over funds that were kept in a physically secure place, namely, a safe.

Senator INOUYE. How did you list these cash disbursements, or did you record them at all?

Mr. SLOAN. I listed them on the same list of paper—excuse me, by name of the individual to whom the distribution had been made.

Senator INOUYE. And you testified that you destroyed this sheet. When did you destroy it?

Mr. SLOAN. No, sir, I testified that I destroyed a working book which I had maintained for my own use in maintaining the security of these funds, only with the clear understanding that the final report made from that book, in turning it over to Secretary Stans, would remain as a permanent record of those transactions.

Senator INOUYE. You have used the phrase—maintained the security of these funds. Were you afraid that these funds may be incriminating?

Mr. SLOAN. No, sir, my concern was—I obviously had a responsibility to keep track of who they were from and who they went out to, merely a record of that, and also a verification of any time someone wanted—if Secretary Stans, for instance, wanted to say, OK, let us go count the cash on hand, I want you to be able to substantiate to me that that is all the cash that is supposed to be there. In other words, it was a guarantee, a written record of all transactions.

Senator INOUYE. If Citizen A contributed $1,000 to your committee by check, you would list that, would you not?

Mr. SLOAN. Yes, sir.

Senator INOUYE. By name and address?

Mr. SLOAN. Not in the pre-April 7 period, Senator; only under the requirements of the new law.

Well, we would if we had it, yes, sir. I mean, for internal purposes, we would attempt to have the names and addresses of all these persons.

Senator INOUYE. Did you list the cash contributions by name and address?

Mr. SLOAN. Yes, sir, not on this report we are talking about here, but all the cash contributors were merged into a composite list of contributors and their addresses were listed on that report. In other words, there was a single record at the end of the pre-April 7 period, that listed all contributors to the campaign, including those that gave securities, by check, and by cash. There was a total record listing names and addresses of all our major contributors in that period.

Senator INOUYE. April 7 is an important date. I notice from the GAO report that after that, you had received $50,000 from an anonymous source which, for some reason, you preferred not to report as required by law. Could you tell us why?

Mr. SLOAN. Senator, in the receipt of that money, I did not have the information on the basis to which I could make any report. At the time I left the committee, I had not made the effort to get that information. I quite frankly was too busy. It was one of the items—there were four others—three others—that I pointed out to officials of the campaign at the time I left were items that needed to be resolved. They either had to be returned because indications had been made that the donors wished to remain anonymous and I did not know how to do that, or else we had to get the information—for instance, a $50,000 contribution, to protect the individual on a gift tax liability, would have to be distributed among a number of committees. We did not know the wishes of the donor in that regard. I

did not know the name of the donor. I had no way of dealing with that, in a sense I was holding it in escrow until I had that information.

Senator INOUYE. And what moved you to report this, or did you report this?

Mr. SLOAN. Excuse me you mean on a final report or a report to the——

Senator INOUYE. Yes, sir.

Mr. SLOAN. Senator, at the time I left, this matter was unresolved. I made no report—excuse me, Senator. I internally made reports of this to officials who I presumed were carrying on these responsibilities after my departure.

Senator INOUYE. When did you leave the committee?

Mr. SLOAN. July 14, 1972.

Senator INOUYE. And after that were you employed?

Mr. SLOAN. Not for a period of 5 months, Senator.

Senator INOUYE. And then were did you work?

Mr. SLOAN. I worked for a period from January to March as a consultant at the Finance Committee To Re-Elect the President.

Senator INOUYE. It is your testimony to this committee that during the period you served as treasurer of this Committee To Re-Elect the President, and during which time you were responsible for the cash disbursements of amounts totaling about $1 million, you did not at any time have a twinge of suspicion as to the use of these funds.

Mr. SLOAN. I think anybody has a normal curiosity, Senator, but these procedures had been going on for nearly a period of a year and a half, in many cases it had been indicated it became an operating procedure. I was quite frankly too busy after a certain period of time to pursue curiosity.

Senator INOUYE. Did these people ever account to you as to whether the funds were used or not?

Mr. SLOAN. No, sir, they did not.

Senator INOUYE. I think the Internal Revenue Service would like to know if the funds were spent otherwise it would be income, would it not?

Mr. SLOAN. I would imagine that is correct, Senator. I considered it from the committee standpoint, the point it left my hands, I don't mean a single committee, but the funds of pre-April 7 committees, that was in fact a final distribution from our standpoint as far as my responsibility to account for it.

Senator INOUYE. You indicated that you authorized and forwarded the sum of $350,000 in cash to Mr. Haldeman.

Mr. SLOAN. I do not know whether he received it. My instructions on that distribution came through Mr. Kalmbach. I understood from conversations with Mr. Kalmbach, he had had conversations with Mr. Bob Haldeman about this matter.

Senator INOUYE. Did Mr. Kalmbach tell you how the funds were used?

Mr. SLOAN. No, sir, he did not.

Senator INOUYE. Did you ever suspect that it might have gone into one's own pocket?

Mr. SLOAN. No, sir.

Senator INOUYE. As treasurer you were never curious as to how the funds were used?

Mr. SLOAN. As I think I have indicated, Senator, these were funds authorized by higher authority, men who I worked with for periods of 5 or 6 years. They are men I have great trust in, I had no reason to be suspicious at that time of the motivations of any of these individuals.

Senator INOUYE. Now, as the events unfold, how do you feel, sir?

Mr. SLOAN. Quite frankly, Senator——

Senator INOUYE. Were you surprised?

Mr. SLOAN. Yes, sir. Everyday I continue to be surprised.

Senator INOUYE. Thank you, Mr. Chairman.

Senator ERVIN. Senator Weicker.

Senator WEICKER. Mr. Sloan, I would like to, if you could go back to your meeting with Mr. Haldeman in the White House on January of this year.

Mr. SLOAN. Yes, sir.

Senator WEICKER. Now, first of all, exactly when was the date of this meeting?

Mr. SLOAN. Senator, I am not sure of the precise date. My best recollection from memory would be toward the end of January perhaps early February.

Senator WEICKER. And am I correct in stating you indicated the meeting lasted about 45 minutes?

Mr. SLOAN. Yes, sir.

Senator WEICKER. Well, my first question would by why, why the meeting, why did you request the meeting or did you request the meeting?

Mr. SLOAN. Yes, sir, I did.

Senator WEICKER. Why?

Mr. SLOAN. Senator, the reason I requested the meeting, and I think the period of time in question is important, the criminal trial was over, I think some of the information on Mr. Segretti had come out, but generally it was in a lull period where in my judgment the decisions had been made, essentially the matter had been gotten away with, that it stopped with the conviction of the seven men. I was at the point in time where I was actively seeking private employment. Mr. Haldeman had essentially asked me to undertake this task. The continuing on of the political leadership in the campaign in opposition to the views I held, the fact that presumably these same men were the source of any information that Mr. Haldeman had, I felt it was in my interest, particularly in terms of seeking private employment, to be sure that there was not an active effort on the part of the administration because of misinformation of the reasons I had done what I had done, that there would be any active efforts to make things difficult for me in terms of seeking private employment. I sought him out. I had a very cordial meeting with him, spent about 45 minutes. I told him without naming names, because I thought it was a dead issue, but I told him essentially that I wanted to make very clear to him why I had done what I had done, and I said I also want you to know that I still feel total loyalty to the President of the United States. I have worked for him over this period of time and my wife has for a long period of time, because we believe in what he is doing, and I want you to know that I feel that I did not leave the team, as far as I am concerned the team left me. And I said I cannot under-

stand the continuing support of individuals who in my judgment it is pretty obvious are involved in this situation.

I think he interpreted part of the purpose of my meeting was essentially to feel out the possibility of employment in the Government. This was not my purpose. I had long ago made the decision that is not what I wanted to do. However, it did produce the discussion on his part, a statement that the policy of the administration was that no individual who had become a "Watergate" figure or prominently mentioned in the newspapers would be placed in high Government office until the issue was totally resolved, and I said I totally understand that policy, I couldn't agree with you more, and he said in terms of your age I agree with your decision, this is the right time to go out in the private sector if you want to make a career there. However, if at a later date, if this matter is totally resolved, if you want to be considered for high position in Government I will be glad to sponsor you.

Generally, I think this was the tone and nature of this discussion.

Senator WEICKER. Now, did that meeting have anything to do with your being rehired by the Committee To Re-Elect the President as a consultant?

Mr. SLOAN. No, sir; I made that decision prior to that. This would be probably about the midpoint during that consultancy. I went to the committee in early January, probably I think January 3.

Senator WEICKER. In other words, when you went to see Mr. Haldeman in January, you already had been rehired?

Mr. SLOAN. Yes sir, that is correct.

Senator WEICKER. As a consultant to the Committee To Re-Elect the President?

Mr. SLOAN. Finance committee. The political committee, as I understood it, had essentially been dissolved, although that turned out not to be the case.

Senator WEICKER. Who rehired you as consultant or how did the rehiring as consultant to the finance committee come about?

Mr. SLOAN. During the period after my resignation, I would guess two occasions, Secretary Stans sought me out seeking my return to the campaign.

Senator WEICKER. That was at what time?

Mr. SLOAN. I am not sure it would have been, I am just not sure, some point during this 5-month period following my resignation in July.

Senator WEICKER. All right.

Mr. SLOAN. I in no way wished to consider it. I turned him down.

After 5 months with the election over, he asked me again. Essentially it was in the terms of you have taken essentially a bum rap on this thing and I know it's been difficult for you, 5 months without gainful employment, I would like you to come back and help me wrap up the campaign.

I consented because certain conditions which would have made it objectionable to me and why I would refuse such an offer prior to that time were met. One, I did not feel if I had this kind of opportunity at this particular point in time with no prejudice being attached to that association, that I in good conscience could go on and not provide for my family. The conditions that no longer existed as far as I was con-

cerned was that the campaign was over, there was no liability or spin-off effect on the President's chance for reelection by having someone who had been named as someone involved in this affair being associated with his campaign, the political leadership who were essentially the people that I had my argument with on the Committee for the Re-Election of the President were no longer there, they had been essentially disbanded either by resignation or by employment in the private sector or had gone over to the Inaugural Committee. Also none of the assignments I would have, it was understood, would have anything to do in the capacity of an official, it would be purely a personal working relationship with Maury Stans, assist him in preparing to cope with some of the civil litigation that would be forthcoming.

Senator WEICKER. So your employment as a consultant was strictly as a result of Mr. Stans' request?

Mr. SLOAN. Yes sir, in my considered judgment.

Senator WEICKER. In your judgment?

Mr. SLOAN. At that time I think it should be clear I had already made my testimony to the grand jury although the criminal trial had not come up, but one of the important considerations I took into account in accepting such a position would be that there could be no possible misunderstanding in terms of that having any effect on any subsequent testimony I would give.

Senator WEICKER. And no other individual was involved insofar as that rehiring was concerned, it was begun by Mr. Stans, or were other persons consulted?

Mr. SLOAN. It is possible that Mr. Kalmbach may have been involved in the decision.

Senator WEICKER. Why do you say that?

Mr. SLOAN. Mr. Kalmbach had attempted to be helpful to me during this period in seeking private employment. He had indicated on a number of occasions he thought I made a mistake in resigning in the first place. He was in frequent contact with Secretary Stans. I suspect they had conversations to the effect that my personal situation was a result of what had happened.

Additionally, I would say part of the considered judgment to rejoin the finance committee is that I did not and do not believe that Secretary Stans in any way was involved in the original criminal activities. I thought he was left essentially holding the bag and I wanted to be helpful to him in that regard.

Senator WEICKER. Right.

It is true, however, that during the summer months and the fall months that you did feel rather put upon, maybe that is not the right word, maybe you have a better word for it, insofar as those individuals that were in charge of the campaign. You feel you were being treated in a shabby fashion by them.

Mr. SLOAN. I would have to say after I made my decision with the exception of a few of the phone calls we have referred to here, that it was pretty much a hands-off situation, I just did not see any of the people.

Senator WEICKER. You were not one of the favorite at all?

Mr. SLOAN. I think that would be fairly accurate, yes sir.

Senator WEICKER. But what caused you to change your mind, then, and at the end of January, having been treated in that fashion, go and ask for an appointment with Mr. Haldeman?

Mr. SLOAN. Senator, essentially, one, I did not believe the White House had any involvement by the known fact at that point. I also did not believe the finance committee had any involvement. I disagreed with Secretary Stans and we had some discussions early on of this affair, along the lines that the finance committee, because of the very obvious potential for misunderstanding in terms of financial transactions that presumably had gone to these individuals, that the finance committee early on should have made a separate statement and attempted to separate itself away from the political committee in terms of its own conduct so that the financial transactions could be judged purely in terms of what they were. I had no knowledge that Secretary Stans knew what these funds were for. As far as I know, he accepted authorization of others as well.

These two areas, in my opinion, were unconnected. I think there had been an error in judgment in not addressing the political problem and forcing resolution there.

Senator WEICKER. I can understand that, but I just want to get back to the point I am trying to develop, that at the time of your troubles, there were those who stood with you and those who stood apart from you.

Mr. SLOAN. And there were quite a few in the middle.

Senator WEICKER. All right.

Mr. SLOAN. And I think, Senator, this may help answer your question. It was very difficult in each and every individual case to determine where those individuals stood, because people just were not talking to each other about the pertinent issues at this point.

Senator WEICKER. But you did know that you were one of the few people that were insisting on telling the truth and you would not deviate from that; is that not correct?

Mr. SLOAN. Yes, sir; but at that point in time, all the forums that were potentially on the horizon for doing that had disappeared. I had done what I thought was right. No resolution of the matter had been raised on the basis of what I had said, because basically, I had very limited knowledge, only of the fact that from a factual basis, all I could ever say was that I gave certain individuals certain money. In the case of Mr. Magruder, it was a case of, yes, I knew I had been approached to do that, but in case of testimony, where he gives a contrary testimony, I can full well, certainly in that period of time, fully understand the prosecutor's position, unless they had additional information, which I had no way of knowing, where he simply could not proceed with that, where they had one man's word against another's. I felt there was nothing I could do, nothing more was going to come out, it was all over, I had essentially lost.

Senator WEICKER. Why did you try to have lunch with Mr. Chapin?

Mr. SLOAN. You are not talking about the earlier meeting, you are talking about the luncheon when I called him when he had gone to United Airlines?

Senator WEICKER. Right.

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Mr. SLOAN. I think it was essentially, sir, the same kind of situation that it was with Bob Haldeman. Here was a man I had worked with for 2½ years. I had not seen anything of him since the one time I had seen him in that whole period of time. I was about to leave town, he was about to leave town. I had seen a number of people at the White House over this intervening period. I think it was purely social.

Senator WEICKER. Was there any concern in your mind that there were those in this picture who seemed to be ending up with rather good jobs, both within and without Government, while you seemed to have been left standing by yourself?

Mr. SLOAN. Well, in going back to the Haldeman meeting and his very definitive definition to me of administration policy with regard to individuals who would not be appointed to positions in Government—now, I do not know whether he meant positions that actually required Presidential confirmation—or Senate confirmation, excuse me—but I think it was only a few days after that, after that meeting with Bob Haldeman, which I felt very good about, because he had indicated to me, you know, I realize some mistakes were made, there is nothing being held against you, good luck in the private sector. But within, I think, a very short period of time after that, Mr. Magruder's appointment to the Commerce Department was announced and at that point, I just threw up my hands.

In answer to your question, yes, sir; it was obvious to me that not only did they not address the problem of people, I think they had, fairly strong indications were involved—I perhaps can understand the intent to postpone it until after the political election, but there was certainly no attempt, even at that point, to take these people out of the picture.

Senator WEICKER. In other words, that possibly, integrity is a disability in this matter?

Mr. SLOAN. The way it is ultimately believed to be resolved, I would not think that it is a liability. I think it takes a long time.

Senator WEICKER. Let me get back, if I could, to the meeting with Mr. Haldeman. You indicated there was some talk about the Segretti matter and he explained that this would turn out all right.

Mr. SLOAN. Yes, sir; he said when this received the full light of day—I am not sure of his precise words or phrasing—that it would be understandable to the American people.

Senator WEICKER. Now, what else was discussed; 45 minutes is a considerable period of time. The Strachan payments, which you surmised went to Mr. Haldeman, was this a matter of discussion during that session?

Mr. SLOAN. No, sir; no subject matter with regard to the finance campaign activities came up at all. It was not my purpose to be there to discuss any of that matter.

Senator WEICKER. In other words, neither the payments to Liddy not to Strachan, none of these matters were discussed at all during that 45 minutes?

Mr. SLOAN. Yes, sir. Only that discussion was really a minor—not on those matters, on really very broad matters that I referred to a minute ago, in explaining that the team had left me, in that type of context. I mentioned that I had been approached to perjure myself and take the fifth amendment, but I did not feel it was appropriate

to make specific allegations as to individuals. I felt that that had already been addressed in the judicial processes and the point was moot.

Senator WEICKER. Did you feel that the basic purpose of the meeting, then, was that you would need the support of the administration in finding employment in the future?

Mr. SLOAN. No, sir; I think I was looking at it more from the other side of the coin, that I wanted to be sure that there would not be active efforts to inhibit my own efforts.

Senator WEICKER. The fear of——

Mr. SLOAN. Retribution.

Senator WEICKER [continuing]. Of retribution.

Mr. SLOAN. Yes, sir.

Senator WEICKER. One last question, Mr. Sloan. You have been very patient and very responsive also.

How were the payments to Mr. Liddy made? In what form? You have indicated, for example, in Mr. Strachan's case that it was put in a suitcase. What was the nature and form of payment to Mr. Liddy?

Mr. SLOAN. In view of the fact that he was physically located in the same suite of offices I was, he would generally just tell me he needed x number of dollars and generally, I would go get it and put it in a manila envelope, something of this sort. I think on one occasion, I was going to be out of town at a time he needed to pick up certain funds. I think on that occasion, he had his secretary, Sally Harmony, come in and get the envelope.

Senator WEICKER. You say that Sally Harmony picked up the money from you?

Mr. SLOAN. Yes, sir; on one occasion, I believe that was correct.

Senator WEICKER. On one occasion?

Mr. SLOAN. In an envelope. She—and I had forgotten this, but other testimony has brought it to mind. I think the circumstances were that he must have been out of town and called me and said, I need whatever the amount was; the only time I could pick it up is I am coming in on Sunday or something. He said, what I will do is I will tell Sally to come into your office with an envelope and you take care of the matter and I do not want her to know what it is and she will put it in my—he had a locked file drawer cabinet in his office—and she knows the combination, she will put it in there.

Senator WEICKER. So you turned over an envelope to her?

Mr. SLOAN. Yes, sir; she did not see it.

Senator WEICKER. She did not see the money, but you gave her the envelope?

Mr. SLOAN. Yes.

Senator WEICKER. She understood this was money in the envelope?

Mr. SLOAN. No, sir; she did not.

Senator WEICKER. She did not?

Mr. SLOAN. As I recall it, and I am not positive, Mr. Liddy stressed the fact that he did not want her to know that this was money.

Senator WEICKER. Fine. One last question in relation to, again, the Haldeman meeting. Was there any discussion at all at that meeting of Mr. Magruder's perjury suggestion?

Mr. SLOAN. I did not mention it by name, but in relating to why I had left—I was trying to give him an accounting of why I had made the personal decisions I had. I said I have been asked to perjure myself on numerous occasions and in my judgment, there was pressure to take the fifth amendment, and I said, Bob, I am just not prepared to do that.

Senator WEICKER. What was his response?

Mr. SLOAN. I am not positive. I think I would be putting words in his mouth, but I think it was to the effect that, well, I realize there were mistakes made in the early period.

Senator WEICKER. I have no further questions.

Senator ERVIN. Senator Montoya.

Senator MONTOYA. Mr. Sloan, I believe you testified yesterday that in arriving at the figures represented by this chart with respect to reimbursement of different individuals, that you had gone to these individuals personally and reconciled the memories, and both you and the individuals had arrived at this figure as a reconciliation. Is that correct?

Mr. SLOAN. Yes, sir. Probably not in every individual case—for instance, Mr. Nofziger, where there was only a single or just a double distribution and the person is not available. This would generally relate to, for instance, the Porter, the Liddy, Magruder, Kalmbach situations, where there were multiple distributions, where over a period of time, some discrepancies could happen.

Senator MONTOYA. Now, I ask you, was the figure of $250,000 to Mr. Kalmbach reconciled with him?

Mr. SLOAN. Senator, these figures here are to the best of my recollection. I realize they are not precise. There could be dollars and cents off.

Senator MONTOYA. Could there be any material deviation or variation?

Mr. SLOAN. Oh, no, sir; in terms of what the precise figure was, we did agree in every case. There was no discrepancy with any individual I talked to.

Senator MONTOYA. Could your figures with Mr. Porter differ in an amount close to $50,000? Would that be possible?

Mr. SLOAN. Senator, again, after a year, it is possible. This is my best recollection of what the figure was. The Liddy matter, I think, for instance, I am far surer of that figure than Mr. Porter's because Mr. Liddy was the issue at the time.

Senator MONTOYA. To the best of your recollection and after reconciliation with Mr. Porter, do you still state that you disbursed to him the sum of $100,000?

Mr. SLOAN. Senator, that is my best recollection. If he has a different recollection, I would not—you know, I would not stand on the hard figure of $100,000. That is the best approximation of what I recall I gave.

Senator MONTOYA. Were you familiar with the activities of Mr. Porter?

Mr. SLOAN. In terms of what he did with his money?

Senator MONTOYA. Yes.

Mr. SLOAN. No, sir.

Senator MONTOYA. Are you now?

Mr. SLOAN. I have read some stories in the press, yes, sir.

Senator MONTOYA. What information can you give this committee from those reports and from what you have gathered since you left the committee?

Mr. SLOAN. I believe it came out at the criminal trial, that of the funds I had given to Mr. Porter, he evidently, in turn, had turned over $35,000 of those funds to Mr. Liddy, which produced the aggregate figure that was used in the trial, the funds that were made available to Mr. Liddy.

Senator MONTOYA. Did you also ascertain that some of this money was used for the "dirty tricks" part of the campaign?

Mr. SLOAN. There was a story about a student named Mr. Brill. There is a convoluted chain of custody here, I believe, from Mr. Porter to Mr. Rees to Mr. Gordon to Mr. Brill for—I am not sure "spying" is the right word, but whatever those activities were.

Senator MONTOYA. Are you aware of any other extended activities besides those two instances in this particular category?

Mr. SLOAN. I think those are the only two that I am aware of, Senator.

Senator MONTOYA. You stated that a report on finances was given to Mr. Stans on one or two occasions, did you not?

Mr. SLOAN. In terms of these cash funds, yes, sir; there were two or three reports in that period from February 15, when he came on board, until my final report which I gave on June 23.

Senator MONTOYA. And did you not state the purpose of those disbursements as told by those individuals, if they told you?

Mr. SLOAN. I have never been told directly by any of these individuals, Senator.

Senator MONTOYA. I believe you questioned some disbursements to Mr. Porter and Mr. Liddy at one time and took this matter up with Mr. Stans; did you not?

Mr. SLOAN. Yes, sir; I did.

Senator MONTOYA. And you also took this matter up with Mr. Magruder, is that correct?

Mr. SLOAN. Yes, sir.

Senator MONTOYA. And Mr. Magruder told you in turn that you were not to question the request at all, but to make the disbursements as they were requested of you, is that correct?

Mr. SLOAN. Yes, sir.

Senator MONTOYA. And did you file or prepare any internal reports as to what you were doing with this money?

Mr. SLOAN. Just these reports I gave Secretary Stans. They were the only reports and he was the only recipient of those reports.

Senator MONTOYA. Did you provide any copy of any reports to the White House?

Mr. SLOAN. No, sir—oh, excuse me, not of these cash funds, no, sir; not to my knowledge.

Senator MONTOYA. Well, any other reports?

Mr. SLOAN. As I understand it, and I think this happened after I left in terms of the aggregate report of all contributors, we put together a reconciliation of the pre-April 7 period by category; for instance, all contributors who gave above $200,000 might be category 1, above $100,000 category 2, and so forth.

Senator MONTOYA. Would you further categorize category 1 and category 2? What particular information did you really specify by way of more definition?

Mr. SLOAN. Well, these reports merely list the name of the person, the address, and the total amount, I mean the aggregate figure of what they had given in multiple—it would include all cash, currency, and securities.

Senator MONTOYA. Do I understand you to say these reports reflected the disbursement prior to April 7 to Mr. Liddy, Mr. Porter, and to the others?

Mr. SLOAN. No, sir; excuse me, Senator, these are contributors' reports, not disbursements reports. I misunderstood you. I apologize. The report I am referring to is a listing of all contributors without the dollar amount by category I believe was made available to the White House. Disbursements, I do not believe any reports were given to the White House.

Senator MONTOYA. Who received a report on the disbursements besides Mr. Stans?

Mr. SLOAN. As far as in terms of the cash funds he is the only individual I ever gave that report to.

Senator MONTOYA. You never gave any of these reports to Mr. Mitchell or Mr. Magruder.

Mr. SLOAN. No, sir.

Senator MONTOYA. Do you know whether or not Mr. Stans gave them?

Mr. SLOAN. I do not of my personal knowledge.

Senator MONTOYA. Did you ever talk to Mr. Magruder, Mr. Mitchell or to anyone else, other than Mr. Stans, and verbally tell them how you were disbursing this cash?

Mr. SLOAN. Well, there were, as the authority for this distribution of funds evolved, there were obviously conversations with these individuals. Certainly Mr. Magruder had a working knowledge of who was receiving a number of these distributions. For instance, he was responsible for the one he received, the Liddy one, the Porter one, probably did not know about the one to Mr. Strachan, Mr. Kalmbach separate. I would say those are the ones he was familiar with.

Senator MONTOYA. Well, in view of your later understanding and instruction, doesn't it stand to reason that Mr. Mitchell was consulted on these expenditures by Mr. Magruder? Doesn't it stand to reason that he knew of the disbursements to Mr. Liddy and to Mr. Porter?

Mr. SLOAN. Senator, you know I would be making an assumption, obviously, with you. I think in an original sense it is inconceivable to me he would not be in a general sense, if his aides were doing their proper job, aware of this kind of situation. Certainly Mr. Stans indicated to me on two occasions that was the source of his confirmation, I should continue on making distributions. So Mr. Mitchell had some knowledge; yes, sir.

Senator MONTOYA. So far as you knew Mr. Mitchell was aware of these disbursements from that indication?

Mr. SLOAN. He was aware of some of them. Whether he had any knowledge as to the total figure, whether the Secretary gave him a rundown at any particular time, I do not know from personal knowledge.

Senator MONTOYA. Did you know at the time for what purposes Mr. Liddy was going to use this money?

Mr. SLOAN. No, sir; I did not.

Senator MONTOYA. Have you since then ascertained for what purpose he did use this money?

Mr. SLOAN. I understand from the conviction in the Watergate trial that certainly a certain element of this money was used in support of that particular operation.

Senator MONTOYA. In support of clandestine activities?

Mr. SLOAN. Yes, sir.

Senator MONTOYA. And you stated and the chart reflects that you disbursed $199,000 to Mr. Liddy. Then later he received the checks which came in from Mexico and that they were taken to Miami and that this totaled $114,000. Is that correct?

Mr. SLOAN. Yes, sir. But I did receive that money back.

Senator MONTOYA. How much of it did you receive back?

Mr. SLOAN. Approximately $112,000. There was a discrepancy of about $2,500.

Senator MONTOYA. Now, was it your understanding that Mr. Mitchell and Mr. Magruder approved all of the reimbursements before and after April 7?

Mr. SLOAN. Reimbursements, Senator?

Senator MONTOYA. Disbursements rather.

Was it your understanding that Mr. Mitchell, Mr. Magruder, approved of all disbursements made by you before April 7?

Mr. SLOAN. Yes, sir.

Senator MONTOYA. What was the carryover amount from the 1968 campaign?

Mr. SLOAN. I am not sure of the figure, Senator. I may be carrying one in another. But I can give you dimensions of it. I think the total amount of the 1968 funds that were turned over to me pre-April 7, probably amounted to about $580,000. Most of this was out of a bank account from which checks were written directly into existing committees. I think there were approximately $230,000 in cash. Whether that is part of the $580,000 or whether it is separate from that I am not sure from my own memory, but this is money Mr. Francis Raine brought in in behalf of Mr. Kalmbach from California and that money would be a part of the total receipts in the cash area as listed here.

Senator MONTOYA. To the best of your recollection, as you have stated before, prior to April 7, 1973, you had received approximately $20 million; is that correct?

Mr. SLOAN. Before April 7, 1972; yes, sir.

Senator MONTOYA. I believe you stated that those were hectic days prior to April 7.

Mr. SLOAN. Yes, sir; they certainly were.

Senator MONTOYA. And that you were in constant turmoil trying to meet the deadline and to get all of the cash in.

Mr. SLOAN. Yes, sir.

Senator MONTOYA. And what was your policy with respect to contributions which people called about and asked you to pick them up?

Mr. SLOAN. I am not sure I received the calls directly but what was being done in the committee, we were using essentially any available people we had who could travel for us at that time. For instance, Ken Talmadge, who was administrative assistant to Secretary Stans made a number of trips during this period to New York, for instance, to visit contributors to pick up their contributions and so forth.

Senator MONTOYA. Was there any ceiling on pickup during those last days?

Mr. SLOAN. I would say I am not sure there was a dollar amount and I may have been misunderstood in a previous deposition on this. There was one case where we did not think it worth our while to pick up a $100,000 contribution which happened to be the money in Mexico, but generally there were certain sums, the man could not get around to all of the places, he did it by priority, he took the largest sums first. There were places where we couldn't pick up a $50,000 contribution.

Senator MONTOYA. Didn't you indicate to the committee through your deposition or interview that in the last hectic days your limitation of pickup was $100,000 or over?

Mr. SLOAN. That may have been overstated, Senator. There was no set amount. I think that came out of a citing and example of the fact that in one case we made that decision with regard to a $100,000 contribution. I know of no policy that stipulated below a certain level.

Senator MONTOYA. You weren't picking up any $5,000 contributions during those hectic days?

Mr. SLOAN. No, sir; they would have to come in by mail. [Laughter.]

Senator MONTOYA. You weren't picking up any $10,000 contributions during those hectic days when all of your manpower was being used internally to collect big amounts, were you?

Mr. SLOAN. It would depend on the area. For instance, if a man went to New York and two men were working the same business office and one of them had $10,000, it would be easy to pick up. I would say if there was a question of choice or priority or disportionate amount of time in going up to pick up a lesser amount, we would not do that.

Senator MONTOYA. How many men would you say you had during the last few days on pickup missions?

Mr. SLOAN. I am not sure, probably two or three people, maybe more than that, maybe as many as seven or eight moving around.

Senator MONTOYA. Did you have any pickup men in California?

Mr. SLOAN. I am just not sure. Mr. Kalmbach, of course, was out there, he was very active, he was in our headquarters during that period of time. He would go back on weekends. He may very well have brought money back in the general period of the last month. Whether it was picked up the last day or two I am not sure.

Senator MONTOYA. Did you have a pickup division within the finance committee?

Mr. SLOAN. No; this was not a structured thing, it was a matter of necessity in using whoever was available.

Senator MONTOYA. Now when you went to Mr. Mitchell's office to explain the situation and to tell him the FBI was downstairs waiting, would you please be a little more specific as to who accompanied you there, what conversation took place while you were in there, who opened up the conversation and what transpired?

Mr. SLOAN. Senator, my best recollection was that when I had the call two agents from the FBI were in my office. I was in a meeting with Fred LaRue. At this point in his office, he indicated to me I think you ought to see John Mitchell before you go down. He at that point left me and went down the hall to John Mitchell's office, came back in a minute or two and asked me to accompany him back into the room.

Present, to the best of my knowledge, would have been Mr. LaRue, myself, Mr. Mitchell, I know Mr. Mardian was there and possibly Mr. Magruder.

I do not have a good sense of how I expressed my concern or anything. I think it was an obvious time pressure here. The men were sitting there; I was looking for some quick guidance. I indicated essentially, "What do you want me to say? These men are here" and I was concerned at that point. I could not believe that they were not there to talk to me about finance and Mr. Liddy and the Watergate and everything else.

Senator MONTOYA. I fully appreciate you were greatly concerned because the FBI was downstairs and you may not remember. I can appreciate your concern when you walked into Mr. Mitchell's office. But now you must have said something to Mr. Mitchell?

Mr. SLOAN. Oh, yes, I am sure I did.

Senator MONTOYA. What did you say?

Mr. SLOAN. I have no direct recollection of what I said other than the purpose of my being there. Whatever I said had to be in that context. I needed some guidance. What do you want me to do. As I am sure the kind of way it was presented, Bob Mardian, as I recall, first put his hand on my knee and said the first thing you have to do is calm down. At that point Mr. Mitchell made his comment and that is the last recollection I have of that meeting.

Senator MONTOYA. Did Mr. Mardian suggest to you anything that you might say to the FBI?

Mr. SLOAN. No, sir. When I left that meeting, I had absolutely no guidance except to go down and see them.

Senator MONTOYA. Did you have any guidance before you went in to see Mr. Mitchell from either Mr. Mardian, Mr. Magruder or Mr. LaRue?

Mr. SLOAN. No; I had no guidance at all.

Senator MONTOYA. Did you engage in any discussions with them as to what you might say to the FBI?

Mr. SLOAN. No, sir. When the matter came up it happened, it developed so fast that I assumed that Mr. LaRue by suggesting I see John Mitchell, the purpose of that was to give me some guidance. None was forthcoming.

Senator MONTOYA. Now let us go into the California trip. I believe you were gone with Mr. Stans for approximately 5 or 6 days?

Mr. SLOAN. Yes sir.

Senator MONTOYA. Now, did you stay in the same hotels with him?

Mr. SLOAN. Yes, sir, I did after I joined him. I went out on the morning of the 7th, which I believe was Friday morning, and I did not join him until the evening of the 9th, which would be the Sunday night. From that point on the balance of the week I traveled with him, yes sir.

Senator MONTOYA. And did you share the same room or adjoining rooms?

Mr. SLOAN. No sir. They might be neighboring rooms but they were not adjoining or the same suite.

Senator MONTOYA. What duties did you perform when you were with him on this trip?

Mr. SLOAN. I was, I think, merely a good listener at the fund-raising meetings he had and met some of our people who were operating in our behalf in the field. I had no specific duties as such.

Senator MONTOYA. What conversations did you have with Mr. Stans with respect to the Watergate affair and the cash disbursements that took place during this sordid affair?

Mr. SLOAN. The Watergate obviously, I think the point in time, the principal emphasis in terms of what was going on in the newspapers and what the level of concern was, was with regard to the Mexican checks and the Dahlberg matter. As a matter of fact, Mr. Dahlberg joined us, I believe, in Des Moines and spent quite a bit of time with Secretary Stans.

Senator MONTOYA. What did Mr. Dahlberg discuss in Des Moines during that trip?

Mr. SLOAN. I do not——

Senator MONTOYA. With Mr. Stans?

Mr. SLOAN. I do not know. I was not present at this meeting.

Senator MONTOYA. How did Mr. Dahlberg meet with Mr. Stans in Des Moines?

Mr. SLOAN. I believe it was in his hotel room.

Senator MONTOYA. Isn't Mr. Dahlberg the individual who transported the Mexican money from Dallas, Tex., to Washington?

Mr. SLOAN. Yes, sir, that is my understanding.

Senator MONTOYA. How long did they meet?

Mr. SLOAN. I really do not know. In terms of a conversation Mr. Dahlberg mentioned to me that he had met the previous evening or whenever it was with Mr. Stans.

Senator MONTOYA. Were you ever aware of any meetings between the President and Mr. Stans with respect to campaign financing?

Mr. SLOAN. I know he met with the President, that I am aware of, maybe once after he had joined the committee and once probably after the election. I do not know what the subject matter of whether it was even on the subject of finance.

Senator MONTOYA. Did you in your reports to the White House or to Mr. Stans reflect balances periodically of what was in the campaign fund?

Mr. SLOAN. Oh, yes, sir.

Senator MONTOYA. And how were these reports transmitted to the White House?

Mr. SLOAN. Excuse me, I have never made such a report to the White House, Senator.

Senator MONTOYA. Did anyone from the White House pick up any of these reports either from you or Mr. Stans?

Mr. SLOAN. Not that I am aware of.

Senator MONTOYA. You stated that you were aware that Mr. Liddy was spending approximately 90 percent of his time on finance committee matter as counsel.

Mr. SLOAN. Yes, sir.

Senator MONTOYA. Were you aware of how he was spending the other 10 percent of his time?

Mr. SLOAN. No, sir. When he joined the finance committee, he indicated to me that he would have continuing projects for the political side of the campaign. Mr. Magruder confirmed that fact to me. No discussion took place as to the nature of those duties.

Senator MONTOYA. Did it ever arouse your curiosity that Mr. Liddy might be performing other tasks?

Mr. SLOAN. I was fully aware he was spending some time on other affairs. I do not know what they were.

Senator MONTOYA. What led you to believe, as you stated, that the disbursement of $10,000 to Mr. Len Nofziger was to recruit a team of American Nazis to disrupt the Wallace candidacy in California?

Mr. SLOAN. Senator, I have no knowledge of that. I believe my statement yesterday with regard to the $10,000, there was as we went through this list, it was a question, an inquiry, as to did you know what any of these expenditures were for in the case of Mr. Nofziger in California. I had said subsequent to that disbursement I had heard by rumor, and I cannot even tell you who from, it had something to do with the Wallace campaign in California, but that is the extent of my knowledge in that matter.

Senator MONTOYA. Now, in your meeting with Mr. Ehrlichman, I believe it was on July or June 23, at the White House?

Mr. SLOAN. Yes, sir.

Senator MONTOYA. You started discussing with Mr. Ehrlichman the problem of how you were going to face up to the reporting of the cash disbursement, is that correct?

Mr. SLOAN. No, sir. I have no precise recollection of how and to what depth or dimension I expressed my concern to him. I think it was in the nature that it was by way of just indicating to him that I think there is a problem. I did not get to the point, I am sure, of mentioning names or leveling allegations at anybody.

Senator MONTOYA. Well, in what context did you place that observation to him that there was a problem? There must have been some context.

Mr. SLOAN. Oh, yes, sir. The party on the boat on the Potomac the night before—I think probably that day or in that period of time, it had become known that these gentlemen with McCord in the room at the Watergate had $5,300 in hundred dollar bills. I obviously had an initial concern with regard to Mr. Liddy's first remark. When the money issue came up, it obviously indicated to me that there might be a direct connection, that that money may in fact have been money that I had given to Mr. Liddy or to somebody in the campaign. I think what I was expressing is we have a situation here where there is no accountability of these funds as far as I know. At least, there has been none to me, and as far as I know, Secretary Stans does not know. In light of this, there is a suspicion, a possibility, that there is a connection.

What I was trying to convey—I do not know how hard I pressed the point. What I was trying to convey to Mr. Ehrlichman and Mr. Chapin was that I thought it was a more serious problem than any individual I had seen, either in the White House or in the campaign, appeared to be taking at that point.

Senator MONTOYA. So in your observations to Mr. Ehrlichman on June 23, you tried to connect the existing cash on the person of the burglars with the distributions you had made to Mr. Liddy?

Mr. SLOAN. Senator, just in fairness, I just do not have that good a recollection of how I presented this concern. I just do not remember.

Senator MONTOYA. Was it in that area?

Mr. SLOAN. That was my concern. Whether I expressed it in those terms to him, I do not know.

Senator MONTOYA. But you did have conversations with Mr. Ehrlichman relating to this, whether it was as specific as I have stated it or not. You did have such a conversation?

Mr. SLOAN. Oh, yes, sir; it was certainly in the context of the event at the Watergate.

Senator MONTOYA. And it was then that Mr. Ehrlichman told you that if you had any personal problem that he could help you with, he would be willing to do anything to help you with his personal problems—with your personal problems?

Mr. SLOAN. Yes, sir.

Senator MONTOYA. And he also said that he would take these problems up with the President and he was certain that this would be covered by executive privilege.

Mr. SLOAN. No, sir, that is an incorrect statement.

Senator MONTOYA. What did you say and what did he say?

Mr. SLOAN. He indicated to me after he recognized my concern in a personal sense and had indicated to me that I had a special relation with the White House, since I had worked there and since they had asked me to get in the campaign, they would be very glad to be helpful if there was a question of getting a lawyer. I said, well, that may be a problem, but that is not really why I am here. I said I would like to get into some depth on this.

He said, no, do not give me the details. He said, my position personally would have to be that I would take executive privilege until after the election.

I thought the remark somewhat strange, but at the time, in that context, I interpreted that as a statement on his part that he was involved in running the Government and did not want to have a position of having knowledge that he could get dragged into all these court cases. A civil suit had been filed at that time. I interpreted it as a statement that it was my job to work here with the President and run the domestic council, and if it is a campaign problem, they have got to work it out.

Senator MONTOYA. Well, did he mention that the President would help you out with your personal problems?

Mr. SLOAN. No, sir, the President's name never came up, as far as I remember.

Senator MONTOYA. Now, let us get on with the boat ride on the Potomac. Who invited you to go on that boat ride?

Mr. SLOAN. It was a farewell party for the aide to the President of the United States, Vernon Coffey, who is a close personal friend of ours, and in addition to the White House personnel invited, both my wife and I had worked at the White House with him and were included on that guest list.

Senator MONTOYA. When were you invited, on the same date?

Mr. SLOAN. Oh, no, I think it would have been probably a week's leadtime. At this point, I am not sure.

Senator MONTOYA. Who was there at the party?

Mr. SLOAN. It was a very large party, probably 150 people or more.

Senator MONTOYA. Was Mr. Chapin there?

Mr. SLOAN. Yes, sir, he was.

Senator MONTOYA. Mr. Colson?

Mr. SLOAN. I am not sure whether Mr. Colson.

Senator MONTOYA. Mr. Dean?

Mr. SLOAN. I am not sure I recall seeing Mr. Dean.

Senator MONTOYA. Which of these individuals who were mentioned were there that night?

Mr. SLOAN. Mr. Chapin, Mr. Dean, Mr. Pat Buchanan. Those are the three individuals I recall.

Senator MONTOYA. Do you recall going into a corner to talk with them about this matter?

Mr. SLOAN. There really were not too many corners, Senator, but we attempted to get a certain measure of privacy.

Senator MONTOYA. And who solicited who for these conversations?

Mr. SLOAN. Senator, in terms of my best recollection of the events that happened, I think quite possibly, first, Magruder's suggestion had been made to me at that point. My wife reminds me that when I was picked up at the office that day by her to go to this party that I was extremely angry and upset. I am sure that under those circumstances, the concerns were very heightened in my mind and I sought these individuals out.

Senator MONTOYA. You sought these people out?

Mr. SLOAN. Yes, sir, I did.

Senator MONTOYA. And you did discuss this affair?

Mr. SLOAN. Yes, sir, to what depth, I just cannot recall as to precisely my knowledge at this particular point in time.

Senator MONTOYA. Was it as a result of your conversations with Mr. Chapin that he invited you to meet with him at the White House at 12 o'clock the next day?

Mr. SLOAN. Yes, sir, that is my best recollection.

Senator MONTOYA. And you did meet with him for lunch, would you say, or just for conversation?

Mr. SLOAN. I did not meet him for lunch and I am not quite sure of the precise timing. I am sure I talked to both of those individuals on that same day.

Senator MONTOYA. Was it as a result of your conversation at 12 noon with Mr. Chapin that you at 2 o'clock that same day saw Mr. Ehrlichman?

Mr. SLOAN. No, sir, they were originated independently. The Ehrlichman appointment resulted from the conversation I had with his deputy, Ken Cole, the night before. I think what I was expressing to Mr. Cole and Mr. Chapin, who were principal assistants of Mr. Ehrlichman and Mr. Haldeman, was that I felt that either Bob or John ought to have this information. In the case of Mr. Chapin, I assumed that in talking to him, at least my concern would be relayed. I do not know whether I requested a specific appointment with Bob Haldeman. In the case of Ken Cole, he called me or his office called me the next day and said John Ehrlichman would like to see me—I believe it was at 2 o'clock—and Mr. Chapin did indicate to me the night before that he would relay my concerns to Mr. Haldeman.

Senator MONTOYA. Who was present in your conversation with Mr. Ehrlichman?

Mr. SLOAN. No one, as far as I know—no one was there except myself.

Senator MONTOYA. And you have indicated in your testimony before this committee that Mr. Magruder tried to get you to do certain things and that you, in turn, indicated that if Mr. Magruder would be up for an appointment, you would personally come and testify against any confirmation. Now, why did you single out Mr. Magruder and not any of the others who had been working on you to perjure yourself?

Mr. SLOAN. Senator, he was the only individual that I could clearly identify in my mind without any doubt whatsoever—I mean, there was just no question in my mind. In the case of Mr. LaRue, in asking me to agree to a figure, he could very well have had misrepresentations from Mr. Magruder and perhaps legitimately think that there was a discrepancy and it was merely a question of resolving the figure. So that he is the only individual who specifically requested of me that I consider an illegal act, as far as I know.

Senator MONTOYA. Now, you also mentioned that on your return from California, you had a drink with Mr. Magruder and that he, in turn, suggested to you that both of you visit Mr. Titus at the U.S. attorney's office.

Mr. SLOAN. Yes, sir. I think it was after my return from Bermuda.

Senator MONTOYA. Bermuda?

Mr. SLOAN. Yes, sir.

Senator MONTOYA. Why was he the moving force here when there was nothing pending and no request had been made of you to testify or to perjure yourself at the U.S. attorney's office? Why was he so anxious to take you there?

Mr. SLOAN. Senator, I believe the grand jury had been convened at that point in time.

Senator MONTOYA. Was he running liaison between the grand jury and the Watergate people or the people associated with the finance committee?

Mr. SLOAN. I was quite amazed at the fact he would call me in light of my conversation with Bob Mardian in response to the first suggestion he had made, where I indicated that if this is the way you guys are going, I just do not want to deal with this man again. I was certainly prepared at that point in time, in the way he suggested it, to overlook his initial remark. But by the second time, there was no question in my mind.

Senator MONTOYA. Did you ask him why he wanted you to go to the U.S. attorney's office without invitation from the U.S. district attorney?

Mr. SLOAN. I believe, Senator, that the climate at that point in time was that very rapidly, the grand jury essentially was moving up through the echelons of the campaign, starting with secretaries and people who worked for people and it was only a matter of days before, if you will, principals who had knowledge at least as far as this money, would come up. I think my guess would be that there was to be an attempt to head off, you know, have an organized disclosure as opposed to individuals going in separately with different stories.

Senator MONTOYA. Well, did Mr. Magruder indicate to you that if you went to see Mr. Titus, Mr. Titus would aid in staving off any further inquiry?

Mr. SLOAN. Oh, no sir, there was no such indication.

Senator MONTOYA. What was the specific purpose for which he wanted you to go?

Mr. SLOAN. I am really not sure, Senator. Again, it is very hard to reconstruct exactly what was known at that point in time, but the amount of money that Mr. Liddy received was the critical issue at that point. There must have been some knowledge on somebody's part that this was where the focus was next coming and I think there was an attempt to resolve that issue prior to questioning coming up independently and individually.

Senator MONTOYA. I believe you stated that he had asked you at this meeting to go to see Mr. Titus and to tell Mr. Titus that you had only disbursed approximately $40,000 to Mr. Liddy. Is that correct?

Mr. SLOAN. Yes sir, that is my best recollection.

Senator MONTOYA. And in what context did this conversation arise with respect to going to Mr. Titus with this information?

Mr. SLOAN. He merely suggesting the going down to Mr. Titus and at the tail end of that proposition, the idea of getting together to resolve the issue at one time, the suggestion about the filing came up again.

Senator MONTOYA. He did not tell you that Mr. Titus asked him to invite you to go to the U.S. attorney's office, did he?

Mr. SLOAN. I am not aware of that, Senator. I am not positive, but I have no knowledge.

Senator MONTOYA. And you assumed that Mr. Magruder was acting on his own?

Mr. SLOAN. I am not sure of that, Senator. I mean, there was no indication on his part to the contrary, but I am just not sure in the light of the fact that I had made other individuals in the campaign known of his initial approach.

Senator MONTOYA. That is all, Mr. Chairman, thank you.

Senator ERVIN. Rule 25 of the committee rules provides that any person who is the subject of an investigation and public hearings may submit to the chairman questions in writing for cross-examination of the witnesses. Their formulation and admissibility shall be decided by the committee in accordance with rule 24.

Rule 24 gives the committee the power to rephrase the questions that are asked. Mr. Robert Barker, who is counsel for Mr. Stans, has contacted the committee and asked the committee to put the following questions to Mr. Sloan.

Mr. Sloan, you have testified that you have checked with Mr. Stans about certain payments to Mr. Porter. Now, this is the first question Mr. Barker wants us to ask you: When did this occur?

Mr. SLOAN. My best recollection, Senator, would have been on the occasion of the first request in the post-April 7 period for funds. I could not place it in a precise date.

Senator ERVIN. The second question is what amounts, if any, were involved?

Mr. SLOAN. I do not believe that we even mentioned the precise dollar amount. I think it was an expression of concern on my part whether this was continued, to continue in light of both my understanding and Secretary Stans' understanding that he was no longer to receive funds. I am not even sure the dollar figure came up.

Senator ERVIN. Was anyone else present at the time you checked with Mr. Stans about the payments to Mr. Porter?

Mr. SLOAN. No sir.

Senator ERVIN. Did you check with Mr. Stans as to any payment to either Liddy or Porter after the time you checked about Magruder's authority to authorize an $83,000 payment to Liddy?

Mr. SLOAN. No, sir. I do not believe I ever checked with him on a dollar amount. It was purely the authority.

Senator ERVIN. Do you recall what amount of money was made to Porter after April 7, 1972?

Mr. SLOAN. Senator, my best recollection of that figure was approximately $6,000. I understand Mr. Porter's general recollection to the General Accounting Office was $11,000. I have no reason to dispute that figure.

Senator ERVIN. There is another question which Mr. Barker asked which really is four questions and relates to payments that you made to Mr. Kalmbach. The first is: Did you make any payments to Mr. Kalmbach after February 15, 1972?

Mr. SLOAN. Yes, sir.

Senator ERVIN. The second subdivision of this question is: If so, what was the amount of these payments?

Mr. SLOAN. I am really not sure, Senator. They were not tremendous amounts. There may have been two or three at the most.

Senator ERVIN. The third subdivision of the question is: What were these payments for, these payments to Mr. Kalmbach after February 15, 1972?

Mr. SLOAN. I have no idea, Senator.

Senator ERVIN. The fourth subdivision of the question is: Were they disclosed on periodic summaries after February 15, 1972?

Mr. SLOAN. Yes, sir, all the funds I handled were covered in that report to Secretary Stans.

Senator ERVIN. They were?

Mr. SLOAN. Yes, sir.

Senator ERVIN. Now, as I understand you, after you had prepared what the committee called a summation of all of these disbursements, you gave that to Secretary Stans?

Mr. SLOAN. Yes, sir, I did.

Senator ERVIN. Did you make more than one copy?

Mr. SLOAN. I may have at the time it was typed, but in the light of—in my understanding, more than a single copy, whatever copies would have been destroyed at the same time as the book, yes, sir.

Senator ERVIN. And after you had imparted the sum total of what your record disclosed in this statement that you furnished to Mr. Stans, you destroyed your record?

Mr. SLOAN. Yes, sir.

Senator ERVIN. Now, you testified, as I recall, that you had put a—rather you testified on the examination of Senator Gurney and Senator Weicker and Senator Montoya about the conversation you had with Mr. Haldeman.

Mr. SLOAN. Yes, sir.

Senator ERVIN. When did that occur?

Mr. SLOAN. I probably could find a precise date. I neglected to look it up last night and I apologize. My best recollection would be toward the end of January or early February, somewhere in that point.

Senator ERVIN. This year?

Mr. SLOAN. Yes, sir, it was while I was a consultant at the committee.

Senator ERVIN. Where did this occur?

Mr. SLOAN. In Mr. Haldeman's office at the White House.

Senator ERVIN. Then you stated Mr. Haldeman told you he had nothing to do with the Watergate affair?

Mr. SLOAN. Yes, sir.

Senator ERVIN. But he told you that he knew about the Segretti matter and that when the Segretti matter was revealed, that it would be understandable?

Mr. SLOAN. Yes, sir, or words to that effect.

Senator ERVIN. Well, that occurred in January of this year?

Mr. SLOAN. January or early February.

Senator ERVIN. So far as you know, has Mr. Haldeman ever revealed anything about the Segretti matter to the general public or anybody else?

Mr. SLOAN. Not that I am aware of, sir.

Senator ERVIN. Do you know what the expression "laundering checks" means?

Mr. SLOAN. What expression?

Senator ERVIN. "Laundering checks."

Mr. SLOAN. I read the term numerous times, Senator. I do not have any precise knowledge of what that term is.

Senator ERVIN. Do you know whether any of the checks that were received by the committee were sent out to some person in Bethesda or Silver Spring or somewhere in the environs of Washington to be converted into cash and returned to the committee?

Mr. SLOAN. Senator, I believe what you are referring to there is, in the early period Mr. Magruder asked me to set up essentially what was an agency account with Mr. Henry Buchanan, a CPA, who was doing work for us. I understood that a certain portion of this money, and I think it was something in the neighborhood of $2,000 a month, went to supplement the salary of Ken Rietz. I do not know what the balance went for. As I recall, it was quite an argument at that point and I have forgotten the participants or where the final authority came from, but I recall objecting to the concept of a separate fund out of the hands of the finance committee.

Senator ERVIN. Am I correct in inferring from your testimony that the objections of the disbursements of the funds which you paid out under the authority of Mr. Kalmbach, Mr. Mitchell, and Mr. Magruder was determined by either them or the recipient of those funds?

Mr. SLOAN. Yes, sir.

Senator ERVIN. And not by Mr. Stans or you?

Mr. SLOAN. Not by myself and to the best of my knowledge not by Mr. Stans.

Senator ERVIN. And so those are the men, or the recipients of those funds, who would be the people who would know what was done with those funds.

Mr. SLOAN. Yes, sir; I would say with one exception. Mr. Stans and I were involved in the Lankler item of $50,000 that was a finance matter and the Clement Stone matter as well, but the other matters—that would be correct.

Senator ERVIN. Well, I can't give any retroactive advice to the men who were responsible for this disbursing funds for political

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purposes and concealing the objectives of the disbursements, but I can suggest to future people who attempt to do that that when they do, they may be either rightly or wrongly judged by the standards set out in the Scriptures where it says "Men love darkness rather than light because their deeds are evil."

Senator BAKER. Mr. Chairman.

Senator ERVIN. Senator Baker.

Senator BAKER. I have one additional question or line of questions and I apologize to the committee and Mr. Sloan, but when you have a good witness you try to get as much information as you can.

In reviewing the testimony that you have given to the committee, and in anticipating some of the testimony I expect we may receive from other witnesses later, I have tried to establish areas where there might be potential conflicts or where there might be elements of uncertainty or incomplete explanation of either statements of people or the contents of documents.

Now, with that preamble, let me point to two or three things I would like to ask you about and, frankly, I confess in advance I am asking you for subjective answers. I think it is impossible for you to give an objective answer.

I am concerned at this point for a clear definition of the quality and the scope of your warnings or your expressions of concern to Mr. Chapin, Mr. Ehrlichman, Mr. Haldeman, Mr. Mitchell. I have only a sketchy picture of what was said and, therefore, all I can ask you to do in addition to what you have already said is give me some appraisal of the quality of that warning.

Was it a stern, intensive sort of thing or was it a casual expression of vague uneasiness? Between those two, if you can help me on this scale of subjectivity, I would be grateful.

Mr. SLOAN. Senator, with regard to the Chapin and Ehrlichman matters, I think they essentially fall in the same category.

As I have tried to point out, I have a very great deal of trouble putting together in my precise state of mind what factors were affecting that at that point in time. The nature of those meetings were, as in the case of Mr. Haldeman, extremely cordial. They are men I consider my friends. We talked over a range of other things. The introduction in each case was about families, vacations, the social amenities and so forth.

I would say probably just because it is not my character I do not believe that I made the hard sell anywhere. I think I said I just think there is a problem. I do not believe at that point in time, and I am not sure of the precise sequence, in fact, whether Mr. Magruder made his approach to me, so what I am saying, there were certainly no—it was not a warning in a sense of substantive information. I think it was an expression of personal concern that perhaps maybe I, because of how I felt, assumed that these gentlemen would intuitively pick that up and perhaps run with the ball from there.

I cannot characterize these meetings as something where I said, gee, you guys have to do something about this specific problem or I am going to do something about it. It was not that kind of proposition, it was very low keyed.

Senator BAKER. I am sure you understand why I asked that question.

Mr. SLOAN. Yes, sir.

Senator BAKER. Because at some future time this committee presumably will have to judge the likelihood or the appropriateness of the conduct of others in response to the information you imparted, your frame of mind, your attitude, and the quality and scope of your warnings or admonitions. It is important for me to know that quality, the subjective quality of concern as it relates to the future testimony of, say, Mr. Chapin, Mr. Ehrlichman, Mr. Haldeman, Mr. Mitchell and Mr. Stans.

Mr. SLOAN. Yes, sir, I understand.

Senator BAKER. Does the description which you have given us, which obviously is subject to many interpretations, that of the general type warning, fit all of these meetings or were there variations of it, say, with Mr. Mitchell or with Mr. Ehrlichman or Mr. Haldeman?

Mr. SLOAN. Of course, in the case of Mr. Haldeman, this was sort of after the fact. It wasn't a warning situation at all, it was merely: It is all over, I am going my way, I want to pass through on the way out to be sure that you understand why I did what I have done. As far as I was concerned somebody somewhere had already made their decision between me and how they were going to go in this matter, which was a moot point. So I don't—he for instance, in this meeting discussed Mr. Chapin, what a difficult decision it had been for him, a man who had been very close to the power, to the President personally, which I had not been, to make the decision to go into the private sector. We discussed this in terms of the proper age for a young man who is not, because of being in an appointed position with a partisan administration, is not a career government official, you have to make a personal decision at some point where you are going to provide in the long term for your family.

Senator BAKER. I think I understand your point of view and just for the sake of time I am going to ask one final question that is even more patently subjective, but the committee will weigh it for whatever it is worth, if you can answer it.

The questions I have asked so far on this subject obviously lead to one master question, and that is, in your judgment, did the men to whom you talked, Mr. Chapin, Mr. Ehrlichman, Mr. Haldeman, Mr. Stans, Mr. Mitchell, Mr. Magruder, did the men to whom you talked respond in your judgment in an appropriate way to the quality or the intensity of your admonition, warning or conversation?

Mr. SLOAN. Senator, if I could I would answer that question in terms of how problems within a campaign are normally addressed.

I mean it is not only for me but it was quite clear potentially there was great damage coming to the campaign just by nothing else, guilt by association, because the campaign is the very logical place to look for suspects in a case of bugging of the opposing party's headquarters. But the thing that disturbed me was not the negative response but lack of positive response. In a sense that if you had a problem about gift tax you get all of the appropriate people on the committee together and sit down and talk about it. As far as I know, in view of the knowledge I had about the money, I could not believe that at some point in time he didn't have a situation develop where more than two people get together in a room at any one time. This creates a climate as you go through this, perhaps suspect what might be going on. I don't know whether that is characterized very well but it did not seem to be a normal response given the nature of the problem.

Senator BAKER. I am not sure—your response is at least as good as my question. We will let it stay there, Mr. Sloan, you dropped one little pearl there that I can't resist picking up.

When you said the bugging of each other's headquarters, do you have any information about that?

Mr. SLOAN. No, sir. That was a slip. I have no knowledge of that. [Laughter.]

Senator BAKER. Thank you, Mr. Chairman.

Senator ERVIN. Senator Gurney.

Senator GURNEY. No.

Senator ERVIN. Senator Montoya.

Senator MONTOYA. No questions.

Senator ERVIN. Senator Weicker.

Senator WEICKER. No questions.

Senator ERVIN. Then, I would suggest that we close with letting counsel and minority counsel ask quite a few questions that they may have.

Mr. DASH. Mr. Sloan, I just have two questions. You may have misunderstood Senator Montoya's question to you concerning any efforts by anybody other than Magruder to have you testify differently than you believed was the truth.

You did say in answer to Senator Montoya that with regard to Mr. LaRue's conversations with you, that you believed he may have had an honest belief that there was a difference of opinion as to the amount.

Let me just refer you to your testimony yesterday in response to a question put by me to you concerning a conversation you had with Mr. LaRue after you had had your interview with the FBI, and let me read your testimony on page 1248 and 1249 of the transcript.

You just went back from your interview with the FBI and you stated:

> I believe Mr. LaRue came down to my office following that interview, essentially to find out what I said and what matters came up. At that point he indicated to me, and I do not have the precise words, the sense of the meaning as it came across to me, there was very brief reference something to the effect that the Liddy money is the problem. It is very politically sensitive. We can just not come out with a high figure, we are going to have to come out with a different figure. And I said, as I recall, I said if there is a problem I cannot see it makes any difference whether it is $200 or $200,000, at which point he dropped the conversation.

Is that a correct statement?

Mr. SLOAN. Yes, sir. I guess it is a question of degree, that in the case of Mr. Magruder it was a very hard sell blatant kind of approach. In the case of Mr. LaRue, very low key and he backed off it very fast, but that is a correct statement, to the best of my knowledge, in the sense of that meeting.

Mr. DASH. Mr. Sloan, also in the early part of your testimony you did mention the name Francis Raine as a person who was a cosigner, I understand, of one of the cash safe deposit boxes. Do you have of your own knowledge, any information as to whether Mr. Raine is related to Mr. Haldeman?

Mr. SLOAN. Yes, sir; I do not believe I knew it at the time. I have since been told he is a relative. I am not sure by whom. I understand it is a brother-in-law relation.

Mr. DASH. I have no further questions of Mr. Sloan, but I think for the record, the Dahlberg check which was dated April 10, 1972, drawn on the First Bank & Trust Co. of Boca Raton in the amount

of $25,000, which had already been identified by you, Mr. Sloan, but it has never been marked as an exhibit, and I would like to have it given to the reporter to mark as an exhibit and introduced into evidence. I have no further questions.

Senator ERVIN. The reporter will number the check or copy of the check, give the appropriate number and be received as an exhibit.

[The check referred to was marked exhibit No. 25.*]

Senator ERVIN. Mr. Sloan, I want to thank you on behalf of the committee for your appearance here. I want to thank you for the intellectual integrity which you have displayed throughout your examination and for the very forthright manner in which you have testified.

Mr. SLOAN. Thank you very much, Mr. Chairman.

Senator ERVIN. You are excused now, subject to be recalled if the committee later finds it necessary to do so.

Thank you very much.

The committee will stand in recess until 2 o'clock, unless other members of the committee object.

[Whereupon, at 11:50 a.m., the hearing was recessed, to reconvene at 2 p.m., this same day.]

AFTERNOON SESSION, THURSDAY, JUNE 7, 1973

Senator ERVIN. The committee will come to order.

I understand the first witness will be Mr. Porter. We intend to recall Mr. Porter at a later date and it is the hope of the chairman that at this time, we will only go into question him about his knowledge or lack of knowledge of the budgeting and break-in of the Watergate and any alleged attempts to cover up that episode.

The counsel will call the witness.

Mr. DASH. Mr. Herbert Porter, will you please take the witness chair?

Senator ERVIN. Mr. Porter, will you stand up and rise your right hand?

Do you swear that the evidence which you shall give to the Senate Select Committee on Presidential Campaign Activities shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PORTER. I do; so help me God.

Mr. DASH. Mr. Chairman, Mr. David Dorsen, assistant chief counsel, will ask the opening questions of this witness.

Mr. DORSEN. Mr. Porter, could you please give your full name and address?

TESTIMONY OF HERBERT LLOYD PORTER, ACCOMPANIED BY CHARLES B. MURRAY, COUNSEL

Mr. PORTER. Yes, sir; my name is Herbert Lloyd Porter. My present address is 32451 Mediterranean Drive, Laguna Niguel, Calif.

Mr. DORSEN. Mr. Porter, I see you are represented by counsel. Could counsel please identify himself?

Mr. MURRAY. Charles B. Murray is my name, sir.

Mr. DORSEN. Mr. Porter, I understand that you have a brief opening statement. Would you please make it at this time?

*See p. 896.

Mr. PORTER. Thank you.

My full name is Herbert Lloyd Porter. I am also known as "Bart" Porter. I was born and reared in California. I served 2 years as an officer in the U.S. Marine Corps, after which I spent 7½ years in the marketing of data processing computers and software. Having never been involved in any political campaign or other political activity, I was both honored and excited at the opportunity to help in some way toward the reelection of Richard Nixon to a second term in the White House.

Prior to joining the Committee for the Re-Election of the President in May 1971, I served a brief period in the White House, working in the office of the Director of Communications, Herbert G. Klein. My function at the Committee for the Re-Election of the President was to organize the surrogate candidate program. My title was director of scheduling. I was also responsible for organizing all celebrities, entertainers, and athletes for the campaign. Almost all my time, while at the Committee for the Re-Election of the President, was spent organizing and directing the activities of these several groups

Stories have appeared in both newspapers and magazines mentioning my name in connection with what has come to be known as Watergate. A few of these stories have been fairly accurate, some half true, while others have been totally false. The record will show that I have made no comments to any reporters or newsmen over the past several months. This may or may not have been wise on my part, but I was trying the best I knew how to protect my wife and my three children from the consequences of any excess publicity.

I have cooperated fully with both the Federal prosecutors and members of the investigative staff of this committee, and I have made full disclosure to them. I also wish to state that in cooperating with both the Federal prosecutors and this committee, I did so voluntarily and, in the case of the Federal prosecutors, I appeared at my own request. At no time did I ever seek immunity from either group, nor did I authorize my lawyer to do so. I have made no deals. I have agreed only to tell the truth.

I will answer all questions put to me by this committee regarding testimony heretofore given by me. At no time did I ever have any intention of covering up a criminal act. At no time did I knowingly engage in any coverup of the Watergate burglary.

I had no prior knowledge of the Watergate burglary. And up to this very moment, I have no knowledge of the involvement of others.

I have been guilty of a deep sense of loyalty to the President of the United States. The facts speak for themselves.

Finally, may I say that this whole affair has had a most devastating effect on my personal life. Because of the unfavorable publicity, I have been terminated from a lucrative position in private industry, a fact which, in turn, has caused me to forfeit, at substantial loss, the purchase of a new home in California, where I was born and planned to live.

This is my situation, Mr. Chairman. I am now ready to answer any and all questions to the best of my ability.

Mr. DORSEN. Mr. Porter, in your opening statement, you refer to the surrogate candidate program. Could you please explain what that program entailed?

Mr. PORTER. Yes, sir; very briefly, the surrogate candidate program was a program that involved the efforts of about 35 Congressmen, Senators, Governors, Cabinet officials, a mayor, who would appear on behalf of the President during the primaries and during the campaign. The purpose of the program was to look at that group as a resource and to maximize it through scheduling and certain campaign appearances on behalf of the President.

Mr. DORSEN. Mr. Porter, while you were at the committee, did you know G. Gordon Liddy?

Mr. PORTER. I did, sir.

Mr. DORSEN. In connection with your duties at the committee, were you ever asked to give cash to Mr. Liddy?

Mr. PORTER. Yes, sir; I was.

Mr. DORSEN. And who asked you to do this?

Mr. PORTER. Mr. Jeb Magruder.

Mr. DORSEN. When was the first time he so asked you?

Mr. PORTER. In December of 1971.

Mr. DORSEN. And what did Mr. Magruder tell you?

Mr. PORTER. Mr. Magruder told me that Mr. Liddy was going to be taking on dirty tricks and other special projects and that Mr. Liddy would be coming to me from time to time to request funds and that I was to, in turn, ask Mr. Sloan for the funds and turn them over to Mr. Liddy.

Mr. DORSEN. Did Mr. Liddy in fact come to you for funds?

Mr. PORTER. He did.

Mr. DORSEN. On how many occasions?

Mr. PORTER. I would say probably seven or eight occasions.

Mr. DORSEN. And what was the approximate amount you furnished Mr. Liddy on each of those occasions?

Mr. PORTER. The amounts varied, Mr. Dorsen, probably anywhere from $500 all the way up to—one time I think $6,000 he requested. It was usually in the $2,000 to $3,000 category, as I remember.

Mr. DORSEN. Prior to April 7, 1972, how much in total did you furnish Mr. Liddy?

Mr. PORTER. Approximately $30,000 to $35,000. Probably closer to the $30,000 figure; 30, 31, 32.

Mr. DORSEN. In March of 1972, Mr. Liddy changed positions; is that correct?

Mr. PORTER. Yes, sir.

Mr. DORSEN. What was the change?

Mr. PORTER. Mr. Liddy left his duties as general counsel of the Committee for the Re-Election of the President and because general counsel of the Finance Committee To Re-Elect the President.

Mr. DORSEN. How many of the payments which you have described occurred after he went to the finance committee?

Mr. PORTER. I am sorry, I misunderstood your first question. When I answered the $30,000 to $35,000 figure that was up to April 7. There was an additional payment after April 7 that occurred in the early part of May 1972, in the net amount of $3,300, which should be added to the other figure.

Mr. DORSEN. When you say net amount, what do you mean?

Mr. PORTER. Sir?

Mr. DORSEN. By net amount?

Mr. PORTER. Net amount means I gave Mr. Liddy $3,500 and he returned $2,000 of that $3,500 the next day.

Mr. DORSEN. Did Mr. Liddy ever give you receipts for the money you gave him?

Mr. PORTER. Yes sir; he did.

Mr. DORSEN. Did Mr. Liddy ever give you anything else?

Mr. PORTER. Yes sir; he did.

Mr. DORSEN. What was that?

Mr. PORTER. I would say on three or four occasions Mr. Liddy handed me white, large, letter-sized envelopes sealed on the back with his initials written over the seal and asked me to keep them in my safe in my office. He instructed me that if anything should ever happen to him that I was to take those directly to the Attorney General.

Mr. DORSEN. Who was the Attorney General?

Mr. PORTER. Mr. Mitchell.

Mr. DORSEN. Did there ever come a time when you took any of these envelopes to Mr. Mitchell?

Mr. PORTER. No, sir.

Mr. DORSEN. What happened to the envelopes?

Mr. PORTER. The envelopes, I have told you this before, I cannot remember whether it was at the end of March or after the Watergate break-in. I have a feeling it has the end of March but I can't be certain. It was one of the times I went through and audited my cash on hand.

Mr. Liddy came by and he said, you know those envelopes I gave you or that you are holding for me? I said, yes. He said, go ahead and shred them. I did that and in doing so they were stuffed full of paper of some kind and would not go through a shredder without looking inside.

Mr. DORSEN. Did you open the envelopes?

Mr. PORTER. I did. I opened all of them, yes sir.

Mr. DORSEN. Did you see what was inside the envelopes?

Mr. PORTER. Yes, I did generally.

Mr. DORSEN. What did you see?

Mr. PORTER. I determined very quickly that they were very similar to a salesman's receipts if he went on a trip, an airline ticket, parking ticket, a restaurant stub, that kind of thing, and so I didn't bother to look and inspect each one. There were no memos in them. I do remember I think one of the airline tickets was from Washington to Los Angeles and back, I think.

Mr. DORSEN. Did you ever discuss the contents of the envelopes with Mr. Liddy?

Mr. PORTER. No, sir; I did not.

Mr. DORSEN. Did you ever discuss the contents of the envelopes with Mr. Mitchell?

Mr. PORTER. No, sir; I did not.

Mr. DORSEN. Mr. Porter, prior to April 7, 1972, how much money did you receive from Hugh Sloan?

Mr. PORTER. Approximately $52,000.

Mr. DORSEN. How much of this did you disburse?

Mr. PORTER. Approximately $49,500.

Mr. DORSEN. After April 7, 1972, how much money did you receive from Hugh Sloan?

Mr. PORTER. Approximately $17,000.

Mr. DORSEN. And how much did you disburse?

Mr. PORTER. All of it.

Mr. DORSEN. How have you now arrived at the figure you have just given us?

Mr. PORTER. I have had ample opportunity to go back and recall as best I know how each of the transactions in which I went and got money from Mr. Sloan and gave it to others, and to the best of my ability I have come up with those figures.

Mr. DORSEN. And is it your best recollection and knowledge that you received from Mr. Sloan a total of approximately $69,000?

Mr. PORTER. Yes, sir; to the best of my knowledge.

Mr. DORSEN. Mr. Porter, when did you first become aware of the break-in at the Watergate?

Mr. PORTER. Saturday, June 17, in Los Angeles, Calif.

Mr. DORSEN. And briefly how did you become aware?

Mr. PORTER. Well, sir, that was a weekend which we were having a large party at a private residence in California for a lot of the celebrities who were going to be supporting the President during the campaign, and it was on that trip that apparently the word, the news broke Saturday morning here and was relayed to some of the campaign officials with whom I was traveling at the time and I learned it from them.

Mr. DORSEN. Following the break-in at the Watergate, did you have a conversation with Mr. Jeb Magruder concerning any statements you might make to the Federal Bureau of Investigation?

Mr. PORTER. Yes, sir; I did.

Mr. DORSEN. Where and when did this conversation occur?

Mr. PORTER. I would say that approximately 10 or 11 days, I am not sure of the exact date, whether it was June 28 or the 29th, but in that time frame, Mr. Magruder asked me to come in to his office, which I did. He shut the door and he told me that he had just come from a meeting with Mr. Mitchell, Mr. LaRue, himself, and a fourth party whose name I cannot remember, where my name had been brought up as someone who could be, what was the term he used, counted on in a pinch or a team player or words to that effect.

Mr. DORSEN. You are now recounting what Mr. Magruder told you.

Mr. PORTER. Yes, sir.

Mr. DORSEN. Please continue.

Mr. PORTER. He said that I believe at that time Mr. Liddy had been fired from the campaign. He said it was—"apparent" was the word he used—that Mr. Liddy and others had on their own, illegally participated in the break-in of the Democratic National Committee, and Mr. Magruder swore to me that neither he nor anybody higher than Mr. Liddy in the campaign organization or at the White House had any involvement whatsoever in Watergate, at the Watergate break-in, and reinforced that by saying, "Doesn't that sound like something stupid that Gordon would do?" and you have to know Mr. Liddy, I agreed with that. [Laughter.]

He said, "I want to assure you now that no one did." He said, however, "There is a problem with some of the money. Now, Gordon was authorized money for some dirty tricks, nothing illegal, but nonetheless, things that could be very embarrassing to the President of the United States and to Mr. Mitchell and Mr. Haldeman and others. Now, your name was brought up as someone who we can count on to help in this situation," and I asked what is it you are asking

me to do, and he said, "Would you corroborate a story that the money was authorized for something a little bit more legitimate sounding than dirty tricks, even though the dirty tricks were legal, it still would be very embarrassing. You are aware that the Democrats have filed a civil suit against this committee." I said, "Yes, I have read that in the paper." He said, "Do you know what immediate discovery is?" I said, "I do not. They may get immediate discovery, which means they can come in at any moment and swoop in on our committee and take all of the files and subpena all of the records and you know what would happen if they did that." I conjured up in my mind that scene and became rather excitable and knew I didn't want to see that. So I said, "Well, be specific," and he said, "Well, you were in charge of the surrogate campaign, you were very concerned about radical elements disrupting rallies, and so forth," and I said yes, and he said, "Suppose that we had authorized Liddy instead of the dirty tricks, we had authorized him to infiltrate some of these radical groups. How could such a program have cost $100,000?" And I thought very quickly of a conversation I had had with a young man in California in December, as a matter of fact, and I said, "Jeb, that is very easy. You could get 10 college-age students or 24- or 25-year-old students, people, over a period of 10 months." Mr. Magruder had prefaced his remark by saying from December on. And I said, "You can pay them $1,000 a month which they would take their expenses out of that, and that is $100,000. That is not very much for a $45 million campaign." And he said, "Now that is right; would you be willing, if I made that statement to the FBI, would you be willing to corroborate that when I came to you in December and asked you how much it would cost, that that is what you said?" That was the net effect, the net of his question. I thought for a moment and I said, "Yes, I probably would do that." I don't remember saying yes, but I am sure I gave Mr. Magruder the impression I would probably do that and that was the end of the conversation.

Mr. DORSEN. Now, Mr. Porter, did the conversation you agreed to tell the FBI actually take place?

Mr. PORTER. Sir?

Mr. DORSEN. Did the conversation which you agreed with Mr. Magruder that you would tell to the FBI actually take place in December of 1971?

Mr. PORTER. No, sir; it did not take place in December.

Mr. DORSEN. Later, did you tell the FBI what Mr. Magruder asked you to tell them?

Mr. PORTER. Yes, sir; I did.

Mr. DORSEN. And subsequent to that, did you appear before a Federal grand jury?

Mr. PORTER. Yes, sir.

Mr. DORSEN. Were you asked about the surrogate candidate program?

Mr. PORTER. Yes, sir.

Mr. DORSEN. What did you tell the Federal grand jury?

Mr. PORTER. The same thing.

Mr. DORSEN. Were you a witness at the trial of the seven defendants who were indicted in the Watergate case?

Mr. PORTER. Yes, sir.

Mr. DORSEN. And did you give the same account?

Mr. PORTER. Yes, sir; I did.

Mr. DORSEN. Did Mr. Magruder ask you to make any other statements which you knew to be false?

Mr. PORTER. Yes, sir; he did.

Mr. DORSEN. What did he ask you?

Mr. PORTER. Shortly after that, he asked me to, if I would increase the amount of money that I was going to say that I gave to Mr. Liddy, and I said, no, I would not do that. He said, why not?

I said because I just absolutely—I did not give him that amount of money and I will not say I gave him that amount of money.

I said the conversation that you are asking me to relate, I can conceive of it happening because I would have told you that in December if you had asked me. And that is a strange answer, but that is the answer I gave him. And I would not increase the amount of money. He wanted me to say that I gave Mr. Liddy $75,000, when in fact, I had given him some $30,000 to $35,000—$32,000.

Mr. DORSEN. Did Mr. Magruder tell you why he wanted the high figure?

Mr. PORTER. No, sir; he did not.

Mr. DORSEN. When was the first time you told any investigatory body that you had not testified truthfully at the grand jury and at the trial?

Mr. PORTER. April 18, I believe.

Mr. DORSEN. 1973?

Mr. PORTER. 1973, yes, sir.

Mr. DORSEN. Mr. Chairman, I have no further questions at this time.

Senator ERVIN. We have a vote on in the Senate, so it will be necessary for us to take a recess so the members of the committee can go and vote.

[Recess.]

Senator ERVIN. The committee will come to order.

Mr. Thompson.

Mr. THOMPSON. Mr. Porter, as I understand it, your statement here this morning is to the effect that you agreed with Mr. Magruder that you would tell the grand jury a false story, is that correct?

Mr. PORTER. What I agreed to specifically, Mr. Thompson, was that I would agree initially to corroborate a story that Mr. Magruder was going to tell to the FBI, which I felt was, in effect, replacing one lawful authorization for another lawful authorization.

Mr. THOMPSON. Well, was it or was it not a false story?

Mr. PORTER. Yes, that is absolutely correct; it was a false statement.

Mr. THOMPSON. Well, you gave this false statement to the grand jury?

Mr. PORTER. Yes, sir.

Mr. THOMPSON. And you gave it at the trial in January?

Mr. PORTER. Yes, sir.

Mr. THOMPSON. When did you go to the proper authorities and tell them the truth about these matters?

Mr. PORTER. The appointment was on April 18 at the U.S. attorney's office, although the contact had been made earlier than that, or the contact to set up an appointment, I mean.

Mr. THOMPSON. When was the contact made?

Mr. PORTER. I believe the 15th.

Mr. THOMPSON. The 15th?

Mr. PORTER. Yes, sir.

Mr. THOMPSON. What caused you to go to them and make that contact?

Mr. PORTER. To answer that question, Mr. Thompson, would, in its context—would really cause me to go back to April 9, when Mr. Magruder called me in New York, where I was employed, and stated that things were not looking too good for him. I said, what do you mean?

He said, "Well, let me just say that things are getting a little hot down here."

I said, "Well, Jeb, I do not know what you mean by that. You have always indicated to me that you were not involved in any of these matters."

And he said, "That is right."

I said, "I do not want you to go into anything."

He said, "Well, I will keep you up to date, or keep you up to speed, or words to that effect."

He called me on Wednesday, on April 11, and said, "Bart, if I were you, I would call Paul O'Brien"—who was one of the lawyers for the committee—"and tell him to call Earl Silbert and go down and tell Earl what you know."

I said, "Jeb, you realize you are asking me to, in effect, put one of your feet in a 6-foot-deep hole."

He said, "Yes, I know that, but I got you into this and the least I can do is help you get out of it."

So I called Mr. O'Brien on the telephone.

Mr. THOMPSON. When?

Mr. PORTER. This was on April 11. And I told him that I had had the conversation with Mr. Magruder. I told him I wanted him to call Mr. Silbert and that I wanted to go talk to Mr. Silbert.

Mr. O'Brien's response to me was, "Now, why do you want to go and do a stupid thing like that for?"

I said, "Well, I just do."

He said, "Now, you sound a little rattled, just calm down a little, when are you going to be back down in Washington?" I was commuting at the time; my family was here.

I said, "Well, I will be in tomorrow evening, Thursday evening, April 12."

He said, "Well, why don't you come in and see me on Friday, the 13th, and we will talk about it?"

So I did and we—during the afternoon, Mr. O'Brien alternately said, "Gee, I don't know whether you have a problem here or not." He was very tired, he in fact fell asleep a couple of times during our conversation. [Laughter.]

I don't say that jokingly. The man was exhausted, in my opinion. I was not.

So, he said, "Well, I think maybe we ought to get another opinion here." So he called Mr. Parkinson on the telephone and there was a brief pause and he said, "Yes, I will tell him that. Parkinson thinks you should tell the truth."

I said, "Yes, that is what I called you about 2 days ago."

He said. "Well, I do not know what to tell you. I just, we still need"—and he hemmed and hawed.

He then got a phone call from Mr. Magruder, who was over at his attorney's office. They conversed briefly and I—he said, "Yes, I will tell Porter that; that is a good idea."

So he hung up and he said, "You go over and talk to Magruder's lawyer." At this point I did not have any counsel except Mr. Parkinson and Mr. O'Brien. He said, "You go over and talk to Magruder's lawyer and see what he thinks you ought to do."

So I went over to the office of Mr. James Sharp and spoke briefly with him, I would say no more than 10 minutes.

Mr. THOMPSON. The same day?

Mr. PORTER. The same day; yes, sir. This is the afternoon of the 13th, now. I explained very quickly what I have just explained to you gentlemen here and he looked at me rather incredulously and he said, "My God, you are an ant, you are nothing. Do you realize the whole course of history is going to be changed?"

I said, "No, I didn't realize that, but I knew what my worries were."

He said, "I can't advise you. Do you have an attorney?"

I said, "No."

He said, "Do you know any?"

I said, "Yes, but I don't know anybody that could handle anything like this or be involved. I want somebody that you would know."

He said, "I will call you tonight, later on this evening, and give you a couple of names. You talk to the attorney and have him call me."

He said, "Now, if Mr. Magruder is going to go down and talk to the Federal prosecutors, we would certainly give you the courtesy of going down first."

I said, "I would appreciate that very much."

Mr. THOMPSON. Why?

Mr. PORTER. I think because Mr. Magruder is the one who got me involved and it was Mr. Magruder's feeling, at least he indicated to me, that he wanted to do everything he could to extricate me from that situation.

So Mr. Sharp did call me that evening about 10, 10:30——

Mr. THOMPSON. Wouldn't it have been better from your standpoint if you had come forth with this information first?

Mr. PORTER. Sir?

Mr. THOMPSON. Wouldn't it have been better from your standpoint if you had come forth with this information first in your own eyes, instead of having Magruder go down there and then you come——

Mr. PORTER. No, sir; perhaps you didn't understand me. I am explaining what Mr. Sharp said to me. If Mr. Magruder is going to go down to the U.S. attorney's office, we would certainly give you the courtesy of going first.

Mr. THOMPSON. Oh, I see. All right.

Mr. PORTER. He said that to me.

Mr. THOMPSON. All right.

Mr. PORTER. And I agreed with that.

So he called me later that evening, about 10:15 on Friday evening, Mr. Sharp did, and gave me the name of two or three lawyers here

in Washington. Mr. Murray was on that list. He said, have him call me.

The following Saturday afternoon, the next day, when I ran into Mr. Magruder across from St. Johns Church at 5 o'clock in the afternoon, among other things, he told me that he had been to the U.S. attorney's office that morning, Saturday morning. I was rather stunned by that.

I said, "How did that happen?

He said, "Well, Jim Sharp called me last night, said that he had set up an appointment with Earl Silbert for 8:30 this morning and instructed me absolutely not to call anybody or discuss it with anybody. I am sorry", he said.

Mr. THOMPSON. In other words, Mr. Magruder did not do what Mr. Sharp suggested that he do?

Mr. PORTER. Mr. Magruder did not call me, sir, and tell me he was going down. No, he followed Mr. Sharp's instructions according to what he said.

Mr. THOMPSON. Mr. Sharp told him what, again?

Mr. PORTER. Mr. Magruder told me, Saturday afternoon, that his lawyer, Jim Sharp, had called him the night before and had told him that he had made an appointment for Mr. Magruder to see the Federal prosecutors the next morning, Saturday morning, April 14, at 8:30 in the morning, and instructed Mr. Magruder, according to Mr. Magruder now, not to contact anybody or call anybody or discuss his meeting with anybody at all.

Mr. THOMPSON. So Mr. Sharp did not abide by the agreement that you and he had?

Mr. PORTER. In my opinion, no, sir.

Mr. THOMPSON. What did Mr. Magruder tell you on the 14th besides what you have already related?

Mr. PORTER. Mr. Magruder just told me he had just come from a meeting at the White House and that it is all over, he said, and I said, what do you mean it is all over? He said it is all over, the President has directed everybody to tell the truth. Those were his exact words. He said I had a meeting with Mr. Ehrlichman and I told him the whole story and boy, was he really shocked, words to that effect. He also told me that he had been to the Federal prosecutors that morning. He also told me that there were going to be several indictments and listed off a series of names, a number of names, people that he thought would be indicted.

Mr. THOMPSON. All right, I am sure that will produce some further questions, but I will leave it for others on that particular point.

Let me ask you this: When is the first time you talked with Mr. O'Brien and Mr. Parkinson about this false story concerning the $100,000 to Mr. Liddy?

Mr. PORTER. I talked to Mr. Parkinson—the way it happened was, a few days, I would say maybe 2 or 3 days after Mr. McCord's letter to Judge Sirica was made public in the latter part of March, Mr. Magruder called me on the phone. I was still in my office at the Inaugural Committee and said, "Did you see McCord's letter?" and I said, "Yes, I saw parts of it in the newspaper." And he said, "What do you think of it?" or words to that effect, and I said, "Well, I am not really concerned about any part of it. I do not, he is not talking about me." He said—Mr. Magruder said—"Well, I guess he is not," or

something like that. "Ken Parkinson wants to talk to you," and I said, "What about," and he asid, "Well, I am not sure but he said let me just say one thing. When you do talk to Parkinson, tell him everything," and I said, "I was a little startled at that; all right, I will." I had occasion, Mr. Parkinson and I, he did call me, Mr. Parkinson did and we set up an appointment, I believe it was for 4 o'clock in the afternoon of March 28.

Mr. THOMPSON. Was this meeting before you went to the grand jury?

Mr. PORTER. Sir?

Mr. THOMPSON. Was this meeting before you went to the grand jury?

Mr. PORTER. I have only made one grand jury appearance.

Mr. THOMPSON. When was that?

Mr. PORTER. August 1972.

Mr. THOMPSON. Go ahead.

Mr. PORTER. So I had occasion to talk to Mr. O'Brien before I went to Mr. Parkinson's office and he asked me to come by his office. I did. I talked to Mr. O'Brien, I would say for an hour, hour and a half, in his office, told him my whole story, or what I have told this committee. Mr. O'Brien said he did not think I had a problem. I think that was the way he put it. I went to see Mr. Parksinson. Mr. Parkinson began by asking me what I knew about Mr. McCord's letter to Judge Sirica, and I said quite frankly, "Ken, I do not see where, I cannot really shed any light on it at all." And then I said, "However, you are aware of"—then I told him about the false statement or the statement that was not true, and he looked at it. I believe he had my trial testimony in front of him. I am not certain of that, however. I cannot be certain. But I do remember him sitting back and he said, "Well, all you have done, you have just embellished a little, that is all, you have not got a problem; you have nothing to worry about." I said, "Well, I felt a little uneasy, although I felt better after that." I said, "Do you think I should have my own attorney?" Up to this point Mr. O'Brien and Mr. Parkinson were in there representing the committee, were made available to anybody who was making FBI appearances or grand jury appearances, et cetera, and in connection with the civil suit filed by the Democrats. I said, "Do you think I need my own attorney or my own counsel?" and he said, "Well, you certainly can, it will probably cost you a little money, maybe, but I do not see why you need your own counsel. As a matter of fact, Bart, at this point it would probably be a little disruptive because things are kind of coming down to a close and it would take somebody new a long time to learn the case. We have been on this thing for many months now. I do not think we have any conflict of interest here representing your interests in this thing at all." So I walked away and that was it.

Mr. THOMPSON. So you never discussed the matter with Mr. Parkinson or Mr. O'Brien before August of 1972?

Mr. PORTER. Well, I am not sure in what context you are asking.

Mr. THOMPSON. You never discussed the story you were going to tell the grand jury?

Mr. PORTER. Yes, I did; but in a slightly different context.

Back in July or late June, early July 1972, Mr. Magruder said to me that Mr. Parkinson wanted me to write a statement, just on regular yellow pad.

Mr. THOMPSON. Let me ask you, maybe I can short circuit. Did you tell either of these men before you went to the grand jury in August 1972 you were going to tell a false story?

Mr. PORTER. No, I did not.

Mr. THOMPSON. Let me ask you one other line of questions and I will pass it on to the chairman. Your testimony at the trial, of course, dovetailed almost completely with what Mr. Liddy testified to at the trial, as was planned, is that correct?

Mr. PORTER. I am sorry, sir?

Mr. THOMPSON. It dovetailed.

Mr. PORTER. Mr. Liddy did not testify at the trial.

Mr. THOMPSON. I mean Mr. Magruder as far as the $100,000 was concerned?

Mr. PORTER. I have never seen Mr. Magruder's testimony at the trial, never read it and do not know what that testimony is.

Mr. THOMPSON. Let me read you a question from the trial transcript.

Mr. PORTER. Is this my testimony?

Mr. THOMPSON. This is Mr. Magruder's testimony.

Question. What funding or financial arrangements did you agree upon with Mr. Liddy with respect to the two different assignments that you just distributed?

Answer. On the first assignment we agreed to a funding of approximately $100,000 for the 10-month period starting in January and on the convention program we agreed to $150,000, total funding of $250,000. With regard to the $100,000 he was talking about the surrogate candidate program or protection for the surrogate candidates.

Mr. PORTER. Yes sir.

Mr. THOMPSON. Assuming that is a fact, that would dovetail with essentially what you testified to; is that correct?

Mr. PORTER. Yes sir.

Mr. THOMPSON. How many times did you discuss this matter with Mr. Silbert and Mr. Glanzer and Mr. Campbell?

Mr. PORTER. I made one grand jury appearance in August of 1972 and discussed it with them then.

There was a pretrial meeting, I believe, the night before or two nights before, I am not sure which, before the trial that was brief in Mr. Silbert's office.

Mr. THOMPSON. How long did it last?

Mr. PORTER. I think Mr. Magruder was there for the early part of it and he left.

Mr. THOMPSON. Were you both in the same room?

Mr. PORTER. We were both in the same room for a brief period of time; yes, sir.

Mr. THOMPSON. Was Mr. Sloan there at the same time?

Mr. PORTER. No, sir; he was not.

Mr. THOMPSON. Who else was in the room while you and Mr. Magruder——

Mr. PORTER. Magruder, Mr. Silbert, Mr. Glanzer, I think Mr. Campbell was there.

Mr. THOMPSON. Mr. Magruder left?

Mr. PORTER. Yes, he did.

Mr. THOMPSON. Did any of the prosecutors ever ask you if Magruder had tried to get you to perjure yourself?

Mr. PORTER. No, sir.

Mr. THOMPSON. I have no further questions.

Senator ERVIN. You talked to Magruder before you went before the grand jury in August of 1972?

Mr. PORTER. Yes, sir.

Senator ERVIN. And you agreed to testify that during December 1971 you had told Magruder that it would require about $100,000 for the dirty tricks episode?

Mr. PORTER. No, sir.

Senator ERVIN. For what episode?

Mr. PORTER. What I——

Senator ERVIN. You had estimated.

Mr. PORTER. Yes, that is correct; not for dirty tricks, for information-gathering from radical groups.

Senator ERVIN. From radical groups.

Mr. PORTER. Yes, sir.

Senator ERVIN. Mr. Magruder had attempted to get you to swear to some other things which you say were not true.

Mr. PORTER. Yes, sir.

Senator ERVIN. You refused to do that.

Mr. PORTER. Yes, sir.

Senator ERVIN. Then you went before the grand jury and you testified in August of 1972 and that is the only time you have been before the grand jury.

Mr. PORTER. Yes, sir.

Senator ERVIN. Then about the last of March, Mr. McCord wrote a letter to Judge Sirica which came out in the newspapers.

Mr. PORTER. Yes, sir.

Senator ERVIN. It was about that time that Mr. Magruder called you.

Mr. PORTER. Shortly after that.

Senator ERVIN. And told you things were getting hot.

Mr. PORTER. No, sir; that was on April 9.

Senator ERVIN. Well——

Mr. PORTER. For himself, he said.

Senator ERVIN. Yes. You came down to Washington after you received the phone call from Mr. Magruder?

Mr. PORTER. Well, I was already planning to come down to Washington.

Senator ERVIN. When did you come?

Mr. PORTER. On the evening of April 12.

Senator ERVIN. And was that when Magruder suggested to you that you go and talk to the counsel for the committee, that is, Kenneth Parkinson?

Mr. PORTER. No, sir, Mr. Chairman.

Senator ERVIN. When was that?

Mr. PORTER. Yes, sir; I believe Mr. McCord's letter to Judge Sirica was made public in a story in the Washington Post on a Saturday morning toward the end of March, the 20th, something—24th, 25th, something like that.

Senator ERVIN. Anyway, you talked to Parkinson and O'Brien on the 28th of March.

Mr. PORTER. Yes, sir; I did.

Senator ERVIN. And you did that at the instance of Mr. Magruder.

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Mr. PORTER. I talked to Mr. O'Brien on my own. I talked to Mr. Parkinson because Mr. Magruder had called me saying Mr. Parkinson wants to see you and is going to call you to set up an appointment.

Senator ERVIN. You talked with Parkinson and O'Brien together, did you?

Mr. PORTER. Not together, separately, but on the same afternoon.

Senator ERVIN. On the same afternoon?

Mr. PORTER. Yes, sir.

Senator ERVIN. Who told you that the whole course of history was going to be changed?

Mr. PORTER. That was on Friday afternoon, April 13, and that was Mr. Sharp; Mr. Magruder's the one——

Senator ERVIN. I will go back to Parkinson and O'Brien. You told them in effect that you were troubled because of your having testified before the grand jury that you had estimated for Mr. Magruder in December 1971 that it would require about $100,000 to supervise these radical groups?

Mr. PORTER. Yes, sir.

Senator ERVIN. And what did Mr. Parkinson say when you talked to him about that?

Mr. PORTER. You mean when Mr. Parkinson learned that that was not a true statement?

Senator ERVIN. Yes.

Mr. PORTER. I don't remember that he said anything other than he was taking some notes, I believe, and I probably initiated the question by saying, "What, Ken—what do you think?" To which he responded, "Bart, I don't think you have a problem at all. All you have done is embellish a little."

Senator ERVIN. That was Mr. Parkinson.

Mr. PORTER. Yes, sir.

Senator ERVIN. What did Mr. O'Brien say about it?

Mr. PORTER. Mr. O'Brien said I don't think you have a problem. He did not use any other words.

Senator ERVIN. In other words, both of the attorneys for the committee told you after you told them that you had sworn falsely before the grand jury, they said that was no problem.

Mr. PORTER. Yes, sir.

Senator ERVIN. You just embellished things a little.

Mr. PORTER. Mr. Parkinson used those words, yes, sir.

Senator ERVIN. Now, a short time after that, you went to see Mr. Sharp, who was then the attorney of Mr. Magruder.

Mr. PORTER. Yes, sir.

Senator ERVIN. Mr. Sharp told you that the whole course of history was going to be changed.

Mr. PORTER. Yes, sir.

Senator ERVIN. Did he explain what he meant by that?

Mr. PORTER. No, sir, he didn't.

Senator ERVIN. But he recommended that you talk to Mr. Magruder.

Mr. PORTER. No, sir, he did not. He said that it would be wise for me to retain an attorney, that I should tell the attorney, my attorney, the same brief story that I told him and to have my attorney call him, and that is when I—then he asked me if I knew any and I asked

him since his client was the one who in effect had asked me to do that it would be helpful if he——

Senator ERVIN. Now, did Mr. Sharp tell you that they could arrange for you to see the district attorney before Mr. Magruder?

Mr. PORTER. Yes, sir. He stated specifically if we decide that Jeb should go down and see Silbert, we would certainly give you the courtesy of going first. Those were his exact words.

Senator ERVIN. Then you met Mr. Magruder and found out from him that he had already been to see Silbert?

Mr. PORTER. Yes, sir.

Senator ERVIN. Now, did you consult a lawyer friend of yours after you were asked by Magruder to lie?

Mr. PORTER. Yes, sir, I did.

Senator ERVIN. You asked him what he would do under the circumstances, and he said he would probably lie for the President?

Mr. PORTER. Those words were not used, Mr. Chairman.

Senator ERVIN. What words were used?

Mr. PORTER. I stated to—I went, right after Mr. Magruder had had this discussion with me in late June, I went to a friend of mine who happens to be a lawyer, but I did not go to him because he was a lawyer; to share an experience, I think, and I stated what Mr. Magruder had said to me. We talked about it.

I think you have got to protect yourself back a little bit in a period of time. This was in the heat of the battle or the campaign. Here were two loyalists talking between the prospect of having the Democrats, our "enemy" come into our camp and bust our whole campaign wide open. I was not concerned about bad things, I was concerned about things like polling and State strategy and research and advertising and all these other things that could be made public.

So I told him what Mr. Magruder had asked me to do. He made a comment to me. He said, after thinking about it, he said—by the way, I think another important thing, if I may digress just momentarily, Mr. Chairman. I think it is very important that both of us, me particularly, since I am the one involved, believed Mr. Magruder, had no reason to mistrust him at all, that neither he nor anybody else was involved in the Watergate. And he specifically said that it was important that the investigation be confined to the Watergate, and I did not think that I was being asked to do anything in connection with the Watergate break-in at all.

My friend said to me—I think he was speaking rather rhetorically. He said, what difference does it make whether the money was authorized for this purpose or this purpose if what they are apparently saying is that Liddy diverted funds and went off and did something illegal? If one thing is going to embarrass the President and the other one is not, he said, I would not do it for Mitchell and I would not do it for Haldeman, but I would do it for the boss. And that is the feeling I had at the time.

Senator ERVIN. Was that before you testified before the grand jury?

Mr. PORTER. Yes, sir.

Senator ERVIN. Who was the lawyer who told you that?

Mr. PORTER. Mr. Chairman, I would respectfully prefer that I not have to give his name at this time. My lawyer knows who it is. He is not involved in this in any way. Unless you insist on it, I would prefer not to.

Senator ERVIN. Did you go before the grand jury and make a statement on account of what the lawyer said to you or on account of what Mr. Magruder had said to you?

Mr. PORTER. This lawyer was also a member of the Committee for the Re-Election of the President, but not acting in a legal capacity. So he is not a——

Senator ERVIN. He was a member of the Committee To Re-Elect the President?

Mr. PORTER. Yes, sir.

Senator ERVIN. I think under these circumstances, you ought to divulge that.

Mr. PORTER. His name is Curtis Herge.

Senator ERVIN. Curtis who?

Mr. PORTER. Herge, H-e-r-g-e.

Senator ERVIN. Did Mr. Magruder, about the time of your conversation with him in April, tell you that he had prior knowledge of the Watergate matter?

Mr. PORTER. I am sorry, sir.

Senator ERVIN. Did Mr. Magruder admit to you at the time of your conversation about April of this year that he, Mr. Magruder, had prior knowledge of the Watergate affair?

Mr. PORTER. On April 14, in the afternoon of April 14, was the first time that I learned that Mr. Magruder had prior knowledge or that anybody else had prior knowledge other than those convicted.

Senator ERVIN. How did you learn that?

Mr. PORTER. I deduced it from his statement that there were going to be a number of indictments and he included his own name.

Senator ERVIN. Up to that time, he had always maintained to you that he had no prior knowledge?

Mr. PORTER. Yes, sir, absolutely.

Senator ERVIN. And at that time, he stated to you that probably some people would go to jail?

Mr. PORTER. Yes, sir.

Senator ERVIN. On account of the Watergate affair. Did he predict that he himself would be one of them to go to jail in all probability?

Mr. PORTER. Yes, sir.

Senator ERVIN. Did he say he had talked to Mitchell about the matter in addition to talking to Ehrlichman?

Mr. PORTER. Yes, sir, I think he did.

Senator ERVIN. And he told you that Mitchell had told him that he was going to deny complicity to the end?

Mr. PORTER. Yes, sir.

Senator ERVIN. Senator Baker.

Senator BAKER. Mr. Porter, I am not going to try to take you over the same testimony that counsel and the chairman have already covered, nor am I going to be unduly critical of your position, I trust. But rather than inquire into the factual background and factors and circumstances that led you to swear falsely, apparently, before the grand jury of the U.S. district court, rather than elaborate and expand further on the situation that leads you to this witness chair today, I would like to probe your reasons and motivations. I would like to start with how you got into the dirty tricks business, what you thought of it at the time and what you thought you would accomplish. And I believe that is a good place to stop.

Would you tell me that, please?

Mr. PORTER. The first time I ever heard the words "dirty tricks," I think, was from Mr. Magruder sometime in the fall of 1971, and I had to ask him what it was. He asked me if I knew who Dick Tuck was. I said, "No; I had never heard the name." And he described some of Mr. Tuck's activities.

I then, upon reflection, remembered something out of Theodore White's book from the 1964 Presidential campaign, where President Johnson had a group called the 5 O'Clock Club, I think it was, a group of 12 young attorneys and White House staffers that met in the White House every afternoon during the campaign to plan all kinds of deviltry, I think it was referred to, and dirty tricks against Senator Goldwater.

Senator BAKER. Now, let me stop you just a moment.

Mr. PORTER. And this is what I thought dirty tricks were.

Senator BAKER. All right. May I stop you just a moment?

Mr. PORTER. Yes, sir.

Senator BAKER. The chairman has explained to you and the committee that we intend to recall you for other testimony.

Mr. PORTER. Yes, sir.

Senator BAKER. And the scope of our testimony today ought to be on the Watergate attendant circumstances.

Mr. PORTER. Yes, sir.

Senator BAKER. I am departing from that slightly, but I want to tell you that I am searching for your motivations and reasons. I am not now at this time searching for the facts. I will at a different time.

Any insight you can give me as to why a young man with your background, with your education, with your obvious intelligence, found yourself in charge of or deeply involved in a dirty tricks operation of the campaign, I need to know more of why.

Mr. PORTER. Yes, sir. I do not think I was in charge of any dirty tricks operation at the campaign, and I am not aware that anybody has testified to that fact.

Senator BAKER. Well, tell me what your involvement was.

Mr. PORTER. I dispensed certain moneys to certain individuals at Mr. Magruder's request over the period of time from, probably, October of 1971 until probably May or June, I guess, of 1972—some $69,000. About $52,000 of that $69,000 was given to people or persons, for purposes the use of which I did not know at the time. So approximately 75 percent of that money was used for purposes I did not know about.

I was asked to have a "Dick Tuck" type of individual, find one, and pay him to perform those kinds of activities that were more in the prank category. The first person that I made contact with did that for about 2 weeks, as I remember, and decided that that was not his bag.

The second person was on—was paid for a period of about 3 months and participated in some of the primary campaigns. That was just about the extent of it.

Senator BAKER. Well, who else was doing this?

Mr. PORTER. I do not know, sir.

Senator BAKER. Do you know of anyone else besides you who were hiring people for pranks?

Mr. PORTER. No, sir; I do not.

Senator BAKER. As I understand the essence of your testimony to this point, then, 75 percent of the money is unaccountable, or you cannot account for; 25 percent of the money you can; that you hired two men to do, as you put it, a Dick Tuck operation, so-called "prank" operation.

Mr. PORTER. Yes sir.

Senator BAKER. Is this synonymous with the "dirty tricks" operation that you referred to earlier in your testimony?

Mr. PORTER. No, sir.

Mr. Magruder indicated to me that money had been, in fact, authorized to Mr. Liddy for dirty tricks and other special projects. Now, what he said was that they were not illegal and that what Mr. Liddy had done, apparently—what he had apparently done at that time was illegal and was not a part of that authorization.

Senator BAKER. Did you ever have any doubt in your mind about the propriety of this?

Mr. PORTER. About the what, sir?

Senator BAKER. About the propriety? Not the illegality, but the propriety of it.

Mr. PORTER. I did not know what he was referring to, and he did not tell me what he was referring to. He never explained any of the dirty tricks operation that Mr. Liddy was involved in.

Senator BAKER. I do not think that answers my question.

Mr. PORTER. I am sorry, sir.

Senator BAKER. I will put it again. Did you ever have any qualms about what you were doing, about the propriety of hiring these people for the dirty tricks or whatever it was? I am probing into your state of mind, Mr. Porter.

Mr. PORTER. I understand.

I think the thought crossed my mind, Senator, in all honesty, that I really could not see what effect it had on reelecting a President of the United States. On the other hand, in all fairness, I was not the one to stand up in a meeting and say that this should be stopped, either. So I do not—I mean, there is space in between. I kind of drifted along.

Senator BAKER. Now, you have reached now precisely that point that I would like to examine and I intend to examine it with other witnesses as this hearing proceeds.

Mr. PORTER. OK.

Senator BAKER. Where does the system break down when concern for what is right as distinguished from what is legal is never asserted or never thought about and you do not stand up and say so? At any time, did you ever think of saying: I do not think this is quite right, this is not quite the way it ought to be. Did you ever think of that?

Mr. PORTER. I think most people would probably stop and think about that.

Senator BAKER. Did you?

Mr. PORTER. Yes, I did.

Senator BAKER. What did you do about it?

Mr. PORTER. I did not do anything.

Senator BAKER. Why didn't you?

Mr. PORTER. In all honesty, probably because of the fear of group pressure that would ensue, of not being a team player.

Senator BAKER. And the fear of not being a team player was strong enough to suppress your judgment on what action you should take if you considered an action improper, if not illegal?

Mr. PORTER. Well, I never considered any action up to that point illegal, No. 1. However, I was——

Senator BAKER. Do you think an organization, a political organization, should be so anonymous, so military and obedient, so careful for the concerns of peer approval that it, each and every member of that organization, at least up until a certain point and level in the organizational chart, completely abdicates his conscience and judgment?

Mr. PORTER. No, sir; I certainly do not.

Senator BAKER. What caused you to abdicate your own conscience and disapproval, if you did disapprove, of the practices or dirty tricks operation?

Mr. PORTER. Well, Senator Baker, my loyalty to this man, Richard Nixon, goes back longer than any person that you will see sitting at this table throughout any of these hearings. I first met the President——

Senator BAKER. I really very much doubt that, Mr. Porter. I have known Richard Nixon probably longer than you have been alive, and I really expect that the greatest disservice that a man could do to a President of the United States would be to abdicate his conscience.

Mr. PORTER. I understand, Senator.

I first met Mr. Nixon when I was 8 years old in 1948, when he ran for Congress in my home district. I wore Nixon buttons when I was 8 and when I was 10 and when I was 12 and when I was 16. My family worked for him; my father worked for him in campaigns, my mother worked for him in campaigns. I felt as if I had known this man all my life—not personally, perhaps, but in spirit. I felt a deep sense of loyalty to him. I was appealed to on this basis.

Senator BAKER. Mr. Porter, I am sorry to interrupt you at this point. We have a warning bell on a rollcall. I know I will return. When we do, I know you will continue this.

[Recess.]

Senator BAKER [presiding]. I might say that the chairman will be here shortly. I understand from the chairman's representative that it was his wish that we reopen the hearings and continue.

Mr. Porter, I reiterate what I said earlier, I am in no way trying to be antagonistic to you, I have no animosity toward you, I am trying to probe for a state of mind and the institutional arrangements, the structuring, the situation that produced what would appear to me to be an abdication of one's personal judgment of what is right or wrong about a particular set of activities. That inquiry was frankly kicked off in my mind by the designation of "dirty tricks" within the campaign organization itself, by a situation that led you by your testimony, apparently, to commit perjury.

With that as the end result, I hope you can understand why I am trying to probe for the set of circumstances that led a young man to do those things.

I think I have spent most of my questions. I think that I am at best in an area of questionable definition, but if you have anything further you can give me that would shed light on why you agreed to swear falsely, why you closed your mind, apparently, to undesirable conduct, if not improper conduct, in a political campaign, the committee would be grateful for it.

Mr. PORTER. Senator Baker, I am not a philosopher or more a philosopher but I am trying to answer your questions as honestly as I possibly can and hopefully it comes out right. If it does not it is as honest as I can make it.

First of all, I was not in charge of dirty tricks. I do not know where all of this money went. I was never aware of all of this money. I was aware of the amount of money I got from Mr. Sloan and even that I was really only aware of about $17,000, where that actually ended up.

I had been told——

Senator BAKER. Did you tell Mr. Sloan what you used that money for?

Mr. PORTER. No, sir; I did not.

Senator BAKER. Did Mr. Sloan ever ask you about——

Mr. PORTER. I have heard Mr. Sloan make that statement and I believe, I would not dispute it, I am sure he probably did, and I probably said you will have to ask Mr. Magruder. Whether that was because I did not know what it was being used for, whether I was just evading a question, I do not remember the conversation.

Senator BAKER. If Mr. Sloan were to assert that he asked you what the money was being used for and you refused to tell him, would you dispute that?

Mr. PORTER. I would not dispute it. I do not remember the conversation, Senator.

Senator BAKER. All right, go ahead.

Mr. PORTER. But I did not have any knowledge of that, Senator. I did not know. At the time Mr. Magruder talked to me in retrospect, I was a pretty easy target for that sort of thing because I did not know anything. I did not have any knowledge of the Strachan money, the Kalmbach money, the Liddy money, all of these other things. I did not know anything about that.

Senator BAKER. Did you ever see any stolen documents or transcriptions of illegal wiretaps?

Mr. PORTER. I never saw any transcriptions of legal wiretaps.

Senator BAKER. Did you ever see any stolen documents?

Mr. PORTER. Probably so. Probably so. But I do not know whether they were stolen or whether they were sent by somebody perhaps in a campaign.

Senator BAKER. Do you know a Mrs. Duncan?

Mr. PORTER. I know Martha Duncan.

Senator BAKER. Who was she?

Mr. PORTER. She was my secretary for a short period of time.

Senator BAKER. Did she ever type up any documents that you knew to be stolen documents?

Mr. PORTER. Yes, sir.

Senator BAKER. What happened then. Tell me a little, illuminate that a little bit. What tinge of conscience came into play when you instructed your secretary to type a copy of stolen documents?

Mr. PORTER. I am not sure of any tinge of conscience, Senator. I had been told by others in the campaign that this kind of thing was a normal activity in a campaign.

In my opening statement I said that I had never been involved in a political campaign before and I had not. These things were all new to me and I accepted them for what they were.

Senator BAKER. That is a terrible indictment of politics. Being a politician I am really distressed to hear that.

Are you telling me in effect that it was your opinion that this sort of thing went on in politics with Democrats and Republicans and that it was fair game and that it might bother your conscience a little but it had to be done?

Mr. PORTER. That is exactly what I felt, Senator.

Senator BAKER. How do you feel now?

Mr. PORTER. Well [laughter] I am not sure that they have stopped.

Senator BAKER. What would you do now?

Mr. PORTER. If what, sir?

Senator BAKER. If you were in the same situation, pick any one of the things, whether you are swearing falsely to the grand jury or whether you are photographing or rather typing stolen documents, whatever it is, or $17,000 for pranks or dirty tricks, what would your attitude be at this point?

Mr. PORTER. It would be I would not become involved in any way, shape or form.

Senator BAKER. What brought about the change? Where is this real emergence of human instinct for decency in politics?

Mr. PORTER. Again you are asking me to give a moral judgment. In my own personal case it has devastated me personally and that is reason enough for me never to do it again. I can't answer for the others.

Senator BAKER. If you make a contribution to this country by serving, as an example, a deterrent to others having that attitude, it might make some atonement for that submerged conscience, but time will tell that, we will have to wait and see.

Mr. PORTER. I had that in my statement and took it out because I thought that was rather self-serving to make because that is how I feel.

Senator BAKER. Before I ask this last question, let me point out that this inquiry is not that of an amateur philosopher or psychologist but rather in pursuit of the statutory jurisdiction of this committee, which is not only to find those things which may have been illegal but improper as well.

Mr. PORTER. I understand.

Senator BAKER. Can you tell me, Mr. Porter, how we might ventilate the structure of campaigning, how we might expose to the fresh breeze of conscience and personality the organization of a presidential campaign so that young men and old men assert their sense of right or wrong instead of doing so-and-so because someone told them to.

Mr. PORTER. I think you are doing a damn fine job right now, Senator. [Laughter.]

Senator BAKER. It is a painful thing, you know.

Mr. PORTER. Yes, sir.

Senator BAKER. And it is a terrible way to have to do it. Do you have any other suggestions?

Mr. PORTER. I have often thought we had too much money.

Senator BAKER. Money is the—I am sure the chairman would approve of this. [Laughter.]

And in deference to the chairman I will save it for him. [Laughter.]

Mr. PORTER. I am waiting myself to find out which one he is going to apply to my case.

Senator BAKER. Mr. Porter, I believe that is all I have. I would like to yield to Senator Inouye.

Senator INOUYE. Thank you very much.

Mr. Porter, you have in your interview with the staff said it was a standard operating procedure that Mr. Haldeman of the White House be kept totally informed of everything that went on; is that correct?

Mr. PORTER. Senator Inouye, I believe I told the staff it was my understanding that certainly in my area that major policy decisions and that sort of thing that Mr. Haldeman's aide, Mr. Strachan, always got copies of everything that we had, everything that went on in my division, and I am sure got copies of everything that went on in other divisions.

Senator INOUYE. To the smallest detail such as a guest list?

Mr. PORTER. Yes, sir.

Senator INOUYE. Did you advise Mr. Haldeman as to cash disbursements?

Mr. PORTER. No, sir.

Senator INOUYE. Are they a bit more important than guest lists?

Mr. PORTER. I am not sure I understand the question, Senator.

Senator INOUYE. You just indicated that Mr. Haldeman was desirous of getting everything including guest lists of parties. Now, I asked if you had advised Mr. Haldeman of cash disbursements, $67,000 worth, and you say no. I was just wondering, don't you think $67,000 is a bit more important than just a little old guest list?

Mr. PORTER. I think the two, one doesn't follow the other. The money that was disbursed through me as a conduit Mr. Magruder was aware of and it would have been Mr. Magruder's responsibility to relay that situation to his superior, Mr. Mitchell, and if he wanted to, Mr. Kalmbach, not Mr. Kalmbach, Mr. Strachan or Mr. Haldeman. That was not my function, no, sir.

Senator INOUYE. I presume you kept a record of all your disbursements?

Mr. PORTER. I did.

Senator INOUYE. What happened to the record, sir?

Mr. PORTER. At the end of March 1972, I received a phone call from Mr. Sloan saying that he would like to balance out, because April 7 was approaching. I, to protect myself internally, called upon Mr. Reisner, who has testified before this committee, to come in and act as a disinterested third party to review what I had in—I had it on a little secretarial steno pad, an in-and-out sheet, if you will, a record of my copies of my receipts and cash on hand. Mr. Reisner did that. I called Mr. Sloan. I told him the figure, $52,000, that I had received from him from whatever the beginning of time was until that point. He agreed to that.

I did not have an accounting function at the committee. In fact, nobody at the Committee for the Re-Election of the President had any accounting or disbursing function, so to speak. That was the finance committee. And I had no need for the records, and I threw them away.

I had—excuse me, sir.

Senator INOUYE. Was that the only reason for destroying the records? Were you afraid the information might be incriminating?

Mr. PORTER. No, sir. In fact, just the opposite. I made sure Mr. Reisner had seen it all.

I just physically, I had no reason to keep them. I had balanced with Mr. Sloan. He was satisfied. I was satisfied that there would be no questions regarding the money. I had asked Mr. Reisner to act as an independent auditor; he did. I started fresh, and threw the little slips of paper away.

Senator INOUYE. Mr. Porter, after the Watergate trial, you sought a good Government job, did you not?

Mr. PORTER. Yes, sir, I did.

Senator INOUYE. And when Mr. Malek, through the White House, was not helpful, you went to Mr. LaRue and told him, "Listen, Fred, you know what I did at the trial. I have been loyal. I do not expect to be treated better than anyone else, but I do not expect to be treated worse." And Mr. LaRue said, "I know, I will contact John."

Mr. PORTER. That is correct, sir.

Senator INOUYE. Did this happen?

Mr. PORTER. I think basically, yes.

Senator INOUYE. Who is "John"?

Mr. PORTER. I presume that is John Mitchell.

Senator INOUYE. After that, did Mr. Magruder tell you that Mr. Haldeman had called Mr. Malek to insure that you would be taken care of?

Mr. PORTER. Mr. Magruder told me that he had talked to Mr. Haldeman and that Mr. Haldeman had called Mr. Malek and had told him, in effect, to kind of back off Porter, I think was the wording.

Senator INOUYE. Do you know for a fact that Mr. Haldeman was aware of the situation?

Mr. PORTER. No, sir, I do not. I only know what Mr. Magruder told me.

Senator INOUYE. Did you get a good Government job after that?

Mr. PORTER. No, sir; not through that particular process, no, sir. I, on my own, contacted one of the department secretaries whom I knew personally, made arrangements to talk to him, and through a series of interviews, was offered a position in the Government at the end of March. At the same time, as early as the latter part of January, I had been seeking employment in private industry, to have a choice between the two when the time came for me to make a choice.

Senator INOUYE. Was not that job subject to clearance by Mr. Malek?

Mr. PORTER. I do not know, sir.

Senator INOUYE. Now, you advised the committee that you were in California on June 17 in the company of Mr. Mitchell and who else?

Mr. PORTER. Mr. Mitchell, Mr. LaRue, Mr. Mardian, Mr. Magruder, Mr. Raymond Caldero, who was in charge of our celebrities at that time.

Senator INOUYE. And at that time, you received a call from Washington, or someone did receive a call.

Mr. PORTER. That was in the morning. This was at the Beverley Hills Hotel. Mr. Caldero and I had come down from our rooms at 8:30 to have breakfast. We sat down at a table next to Mr. and Mrs. LaRue, Mr. and Mrs. Mardian, and Mr. and Mrs. Magruder.

Senator INOUYE. So that is when you first learned about the Watergate break-in?

Mr. PORTER. Well, in looking backwards, Senator, I guess you would have to say so, but at the time, no.

The phone call that you are referring to is one that Mr. Magruder had received already, I think, because he came back to the table, and not to me, but to the people he was sitting with, said, "Do you know where I can find a secure phone?" And there was a discussion at the table, apparently, about where one might find a secure phone.

And he turned to me, and he said, "Do you know where I can find a secure phone?"

I said, "What for"?

He said, "Well, Liddy is trying to call me, or wants to talk to me on a secure line."

And I said, "Well, we do have a direct outside line in the Mitchell suite, why don't you use that?"

He said, "No, that is not good enough."

I said, "Well, why don't you go out to a pay phone and call him back? Nobody's going to, you know, that is about all the security you are going to get." That was the end of that conversation.

Senator INOUYE. Who took care of the situation there?

Mr. PORTER. I beg your pardon, sir?

Senator INOUYE. Who took charge of the situation there?

Mr. PORTER. I am not sure I understand the question.

Senator INOUYE. When this call was made, were the others agitated, or were they not?

Mr. PORTER. Senator, I do not remember at the time. I think my back was to them and I do not remember seeing any expressions or conversation. Mr. Magruder appeared quite open about it at the time, in a loud voice.

Senator INOUYE. Were you aware of a telephone call that Mr. Magruder made on June 18 from California at 4 in the morning?

Mr. PORTER. You would have to qualify that, Senator. I understand that Mr. Magruder made or had phone conversations early Sunday morning with——

Senator INOUYE. Who was the party he contacted in Key Biscayne?

Mr. PORTER. I do not know, sir. I only know that—in fact, I think Mrs. Porter, who was sitting behind me, told me that Mrs. Magruder had told her—we were all kind of sitting or living in a suite of rooms on the same floor—that her husband had been on the phone all morning with Key Biscayne, I think was the quote. That is the only place I can remember where that statement might come from.

Senator INOUYE. You advised the committee that Mr. Magruder told you that he perjured himself 12 times. Did he tell you about the 12 times he perjured himself?

Mr. PORTER. No, sir, he did not. He made that comment the afternoon—the same afternoon, on April 14.

Senator INOUYE. I am just—as a matter of curiosity, you have indicated that you were moved to take certain actions because of fear of ostracism; you did not want to be ostracized by the team.

Mr. PORTER. I am not——

Senator INOUYE. I think that is the phrase you used. What team are you talking about?

Mr. PORTER. It is just a generic term, Senator; not any particular squad of people. I used the term generically, I think.

Senator INOUYE. People like Mr. Haldeman?

Mr. PORTER. Probably.

Senator INOUYE. Mr. Mitchell?

Mr. PORTER. Probably.

Senator INOUYE. The President?

Mr. PORTER. I don't think that ever crossed my mind, no, sir.

Senator INOUYE. I have other questions, but they relate to the dirty tricks and I have been advised we will take these up later on. So, Mr. Chairman, I yield at this time.

Thank you very much.

Mr. PORTER. Yes, sir.

Senator ERVIN. If there is no objection, we have some more votes coming up very quickly and our time is running out. Can you come back Tuesday?

Mr. PORTER. Sir, I am going to California in the morning with Mrs. Porter. It will require me to fly back on Monday. If that is what the committee wants me to do, I will certainly be willing to do it.

Senator ERVIN. I don't think we can finish this afternoon. I hate to inconvenience you.

Mr. PORTER. No inconvenience.

Senator ERVIN. The committee will stand in recess until Tuesday at 10 o'clock.

Mr. PORTER. Yes, sir, I will be here.

[Whereupon, at 4:42 p.m., the committee was adjourned, to reconvene Tuesday, June 12, 1973, at 10 a.m.]

TUESDAY, JUNE 12, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to recess, at 10 a.m., in room 318, Russell Senate Office Building, Senator Sam J. Ervin, Jr. (chairman), presiding.

Present: Senators Ervin, Talmadge, Inouye, Montoya, Baker, Gurney, and Weicker.

Also present: Samuel Dash, chief counsel and staff director; Fred D. Thompson, minority counsel; Rufus L. Edmisten, deputy chief counsel; Arthur S. Miller, chief consultant; Jed Johnson, consultant; David M. Dorsen, James Hamilton, and Terry F. Lenzner, assistant chief counsels; Barry Schochet, Ron Rotunda, Phillip Haire, and William Mayton, assistant majority counsels; Eugene Boyce, hearings record counsel; Donald G. Sanders, deputy minority counsel; Howard S. Liebengood, H. William Shure, and Robert Silverstein, assistant minority counsels; Pauline O. Dement, research assistant; Eiler Ravnholt, office of Senator Inouye; Robert Baca, office of Senator Montoya; Ron McMahan, assistant to Senator Baker; A. Searle Field, assistant to Senator Weicker; John Walz, publications clerk.

Senator ERVIN. The committee will come to order.

The witness will return to the stand.

Senator Inouye, I believe it is your turn to question the witness, is that right?

Senator INOUYE. I finished.

Senator ERVIN. Are there any other questions?

Senator Gurney.

Senator GURNEY. Thank you, Mr. Chairman.

Mr. Porter, to get caught up to date, as I understand it you were the director of scheduling in the Committee To Re-Elect the President, in charge of the speakers, the surrogates program, and also the celebrities, entertainment, and athletes, and I think that two pertinent pieces of testimony you gave us last week were that you had disbursed some $69,000 in this, I guess you might call it, sabotage program, and that you also perjured yourself at the trial at Mr. Magruder's request on what you paid money to Liddy for.

Now, that I might clarify one or two points here, would you explain to the committee how you disbursed the $69,000? I don't think that was gone into in much d_tail last week.

TESTIMONY OF HERBERT L. PORTER—Resumed

Mr. PORTER. Yes, sir; I will. April 7, I passed approximately $31,000 to Mr. Liddy—the purpose of the funds to be used for a purpose I was not aware of. I passed $8,000 to Mr. Richard Howard at the White House at Mr. Magruder's request.

Senator GURNEY. What did he use that for?

Mr. PORTER. I do not know, sir.

Senator GURNEY. Did you ask Mr. Liddy what he was going to use this money for?

Mr. PORTER. No, sir; I did not. Mr. Magruder instructed me to pass Mr. Liddy funds when he requested them, and I did not ask what they were used for nor did he tell me.

Senator GURNEY. Go on.

Mr. PORTER. I gave $300 at Mr. Magruder's direction to Mr. Douglas Hallet who was at the White House who worked to help put some reports together and it was—I do know the purpose of that—that was to pay roundtrip air fare for Mr. Hallet to California for an Easter vacation because he had helped out in the campaign putting these reports together.

I paid $1,100 to Lionel Hampton for a band appearance and rally in Miami, Fla., in March. I paid approximately $3,700, $3,800 to a Roger Greaves in Los Angeles. I paid——

Senator GURNEY. Do you know what that was for?

Mr. PORTER. Mr. Greaves, on two occasions, promoted some sign carrying placards to greet, I believe it was, Senator Muskie upon airport arrival in Los Angeles, and also came on to the—was also paid for a period of about 2 weeks, served for a period of about 2 weeks and actually paid a month's salary in fact to do some Dick Tuck type, as I think I cited the other day, Dick Tuck type prank harassments in New Hampshire, Florida, and it lasted for about 2 weeks and he went back to California.

Senator GURNEY. Go on.

Mr. PORTER. Gave $200 to Mr. Robert Mardian for an advance trip to California that he took when the bank was closed. I gave approximately $300 to about, I would say, seven or eight people in various spots around the country to promote the President's campaign at opposing candidates stops, signs which would say "This is Nixon Country," or whatever.

Senator GURNEY. You gave each one that amount?

Mr. PORTER. No, sir; total aggregate approximately $300 to pay for signs and paint and maybe a keg of beer afterward or something like that.

I paid a hundred dollars, I believe approximately a hundred dollars to Mr. Roger Stone on one occasion to go to New Hampshire to leave a leaflet, I believe, at Senator McGovern's headquarters, and I paid another $200 to Mr. Stone, the same Mr. Stone, to go a second time to New Hampshire to make a cash contribution to Mr. McCloskey's campaign. These were all at the direction of Mr. Magruder.

Gave Tom Bell $350 at Mr. Magruder's direction for the printing of a small pamphlet having to do with Senator Muskie's candidacy. Approximately $25 went for stamps, and about a thousand dollars, approximately, went to Mr. Magruder on about probably two or three occasions when his aide would come and say "Jeb wants $300 or Jeb wants $500." I don't know the purpose of that and I gave approximately $3,000 to Mr. Ken Rietz who was then the youth director, director of the President's youth campaign. Total amount that was passed pre-April 7 period was approximately $49,500.

After April 7, I gave $3,300 to Mr. Liddy at Mr. Magruder's direction for purposes I did not know. I gave approximately $90 to

my chief scheduler, Mr. Curtis Herge, which I understand was passed on to his secretary to pay for her parking for 2 months, rather than a raise. I gave another $450 over a 3-month period to the same Mr. Roger Stone for salary supplement until such time as I could talk Mr. Odle in raising his salary to $550 a month.

I gave $4,400 to Mr. Phil Joanou at Mr. Magruder's direction, I did not know the purpose of that money. I gave $4,000 to Mr. Robert Odle on two occasions of $2,000 each; I did not know the purpose of that money. I think I took out about $300 for cash expenses on the trip to California with the Mitchells and the Mardians and the Magruders and the LaRues on the weekend of the 17th. I gave $750 to Mr. Ken Wrights on two occasions, one I think a $300 payment and the other a $450 payment. I think Mr. Wrights told me what that money was used for but I do not remember whether it was the first or second time he told me but I understood later it was for the gentleman sitting out in front of the White House, Mr. Brill. I made total payment of about $6,000 over a 3-month period again to Mr. Stone that was passed on to a Mike, I cannot remember his last name again now, I believe it was McMinaway, from Louisville, Ky., who worked in two or three of the primary campaigns as kind of an eyes and ears and kept the campaign, kept Mr. Stone informed of morale and this kind of movement and that sort of thing. That totals about $19,000. The total was approximately $69,000, $52,000 before April 7 and about $17,000 after April 7.

Senator GURNEY. When Mr. Sloan, who was testifying before us, he testified he had given you $100,000, as I recall.

Mr. PORTER. I understand.

Senator GURNEY. Can you account for the discrepancy between your testimony and his?

Mr. PORTER. Senator Gurney, this discrepancy was brought to my attention around early July of last year, and I at that time said that Mr. Sloan was wrong and that it had been approximately $65,000 or $70,000 and that Mr. Reisner, I had asked independently to come in and check those amounts. Now, I can't account for it any other way than to tell you that is my best memory of the approximate amount that Mr. Sloan passed to me. I noticed in Mr. Sloan's testimony on Thursday that the figure of $100,000 that was up on the board that was one figure he was a little unstable on and unsure of. I believe he did say he was not exactly sure of that amount but that was to the best of his memory.

Senator GURNEY. Did you and he ever get together and reconcile——

Mr. PORTER. No sir, not at any time.

Senator GURNEY [continuing]. Amounts of money?

Mr. PORTER. Never.

Senator GURNEY. One thing that has been a puzzlement to me is why you disbursed money to Mr. Liddy at all, because Mr. Sloan also testified that he disbursed something like $199,000 to Mr. Liddy?

Mr. PORTER. That is right.

Senator GURNEY. Why didn't Mr. Liddy go directly to Sloan for all the money? Why get some from you?

Mr. PORTER. I do not know, sir. All I can do is answer the question. In December, Mr. Magruder told Liddy that he was going to come to me and that I was to get funds from Mr. Sloan. I was not aware that Mr. Sloan was also giving money to Mr. Liddy. The last money

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I gave to Mr. Liddy, I think it should be pointed out, was in March of 1972, with the exception of the $3,300 that I was directed to give him in early May of 1972, which I——

Senator GURNEY. Did you know during any of this period of time that you were disbursing moneys to Mr. Liddy that he was also getting moneys from Mr. Sloan?

Mr. PORTER. No sir; I did not.

Senator GURNEY. In your testimony last week, too, you mentioned this conversation with Mr. Magruder after he had come from the White House, as I recall, and quoting from the record, you said:

> He also told me there were going to be several indictments and listed off a series of names, a number of names, people that he thought would be indicted.

Who were these people that he thought would be indicted?

Mr. PORTER. I believe, and then I would ask the counsel's help on this one, I believe the names that he mentioned were Mr. Mitchell, Mr. LaRue, Mr. Mardian, himself, and Mr. Magruder, Mr. Haldeman, Mr. Strachan, Mr. Dean, Mr. Colson.

Mr. Dorsen, does that run the list?

Mr. DORSEN. I do not remember. I think that is it.

Senator GURNEY. Did you and he have any discussions as to why he thought they were implicated?

Mr. PORTER. I am sorry, Senator.

Senator GURNEY. I say did you and he have any discussion at that particular time as to why he thought they would be indicted?

Mr. PORTER. No, sir.

Senator GURNEY. Now, then, let us go to the California visit. That, of course, was when the news broke about the Watergate break-in, out in California that morning. And you mentioned that you were at breakfast with a number of people. Now, who were these people?

Mr. PORTER. Yes, sir. I came down to breakfast at about 8:30. This was at the Beverley Hills Hotel. Mr. Caldero, who was working on the celebrities portion of the activities of that weekend, was with me. We sat down at the table next to Mr. and Mrs. LaRue, Mr. and Mrs. Mardian, and Mr. and Mrs. Magruder. It was during that breakfast—I was reading the paper; I think Mr. Caldero was, too—that I overheard Mr. Magruder say, does anyone know where I can find a secure phone? And nobody did, apparently. And he leaned over and asked me and leaned back in his chair over to the next table and said, "Do you know where I can find a secure phone?"

I said that we had a phone, an outside line up in the Mitchell's suite. He said, "No, that was not good enough."

I said, "Why do you need it?"

He said, "Well, Liddy wants to talk to me." That was all he said.

I said, "Well, why don't you just go to a pay phone, pick a pay phone at random and call him." I do not know whether he did that or not.

Senator GURNEY. Did he leave the room then?

Mr. PORTER. I do not believe so.

Senator GURNEY. There was also testimony that I think it was your wife, in a chat with Mrs. Magruder, got the information that Mr. Magruder was on the phone all morning long.

Mr. PORTER. That is right.

Senator GURNEY. With Key Biscayne.

Mr. PORTER. Yes, sir.

Senator GURNEY. Can you amplify that any further? Do you know who he talked to?

Mr. PORTER. No, sir, all I can say about that conversation further is that Mrs. Porter did mention to me that morning, Sunday morning—I guess she later has now told me that she went in to have a cup of coffee with Gail, I think, Mrs. Magruder, and our rooms were like across the hall. And I believe Mr. Magruder's parents at that time were with him also.

Carol came back and made a comment to me that Gail had said to her that Jeb had been up since very early in the morning, all morning, she said, on the phone to Key Biscayne. And that was the net of the conversation.

Senator GURNEY. Did you see Mr. Magruder at all the rest of the day?

Mr. PORTER. On Sunday, Senator?

Senator GURNEY. Yes.

Mr. PORTER. I believe I saw him that morning. He introduced me to his parents and I said hello to them.

Senator GURNEY. Was there any conversation at any time during this day about the break-in?

Mr. PORTER. No, sir, because Mr. Magruder was making arrangements at that time for air transportation back to Washington and he left the group and flew back to Washington some time Sunday morning, I believe.

Senator GURNEY. What other people did you see during that day—that is, principals in this—Mr. Mitchell, Mr. LaRue, Mr. Mardian, anybody else?

Mr. PORTER. Are you talking Saturday or Sunday, Senator?

Senator GURNEY. Well, the day of the, the morning of the break-in.

Mr. PORTER. Yes, sir. There was a meeting, a California political meeting, at the Airport Marina Hotel, at about 10 o'clock or 10:30, I believe, and the arrangements were that Governor Reagan was going to stop by the hotel and pick up Mr. Mitchell, which he did. We went down to the Airport Marina Hotel, and it was at the Airport Marina Hotel that I noticed, again noticing a lot of rather private conversations going on.

Senator GURNEY. Between whom?

Mr. PORTER. Among Mr. LaRue, Mr. Mardian, Mr. Magruder, and then ultimately, Mr. Mitchell. There were several large banquet rooms, empty banquet rooms, in the hotel that were not being used and a lot of these meetings were held in those rooms, off in a corner. I was asked at one occasion to stand some 50 yards away, whatever it was, and kind of be the guard on the door as they had this meeting.

Senator GURNEY. Who was present at that particular meeting?

Mr. PORTER. Mr. Mitchell, Mr. Mardian, Mr. LaRue, Mr. Magruder, Mr. Clifford Miller from Los Angeles was present, but I am not sure whether he was present at that particular meeting.

There were several of these conferences going on intermittently during the——

Senator GURNEY. How many would you say?

Mr. PORTER. Three or four, probably.

Senator GURNEY. And would you please name all the people that you can remember who participated in these conversations?

Mr. PORTER. I think I have named them, Senator, those people.

Senator GURNEY. Did you overhear any of the conversations?

Mr. PORTER. No, sir, not a bit.

Senator GURNEY. Did any of these people repeat to you later any part of these conversations?

Mr. PORTER. No, sir. Obviously, my curiosity became piqued and I asked, I believe it was Mr. Miller—I think it was Mr. Miller—probably a question like, what's up? He said, I believe, that one of the committee's employees had been caught inside the Democratic National Committee. I asked him who it was and he said, James McCord. And that was the first time I had learned of that. It was toward noon.

Senator GURNEY. How long did you stay in California?

Mr. PORTER. I personally, Senator?

Senator GURNEY. Yes.

Mr. PORTER. Through Tuesday, I believe, the following Tuesday.

Senator GURNEY. And what about the rest of the time that you were in California? Do you recall any conversations that took place about Watergate that you have any knowledge of?

Mr. PORTER. No, sir. At no time was I ever included in any of those conversations with any of those people.

Senator GURNEY. While you were in California, did you make any phone calls back to Washington?

Mr. PORTER. I have been asked, I believe, that question by one of the members of your committee. I received a phone call from the same Roger Stone who I mentioned earlier in this about the—in my earlier testimony. And Mr. Stone was taking care of our house while we were gone. I had taken my family out to California for the summer.

Senator GURNEY. Is this significant?

Mr. PORTER. Yes, sir, it is significant. He was, I think it was on Monday night, I guess feeding our dogs and the phone rang and a voice asked for me and he said, he said, is Bart Porter there?

Mr. Stone said, no, he was not. He said, who is this?

And the voice said, and it sounded like an older man, according to Roger, this is Jim McCord.

And Roger said, I do not believe you. And I guess the man pressed him and said, yes it was.

He said, where are you?

He said, well, I am in jail. I want to talk to Porter.

I do not think this is accurate. I think personally it was a hoax or some friend calling. But anyway, Roger called me in California immediately.

I was convinced it was a prank because I hardly knew Mr. McCord and he would have no reason to call me. But because Mr. Magruder—I think I tried to get Mr. Magruder, I am not sure. But I did call Mr. LaRue. I felt somebody should know that I had received that call. So I did tell, I think I called Mr. LaRue and told him that. And he just took the information and said, thank you. And that was the last I heard of it.

Senator GURNEY. Now, when you returned to Washington again, did you participate in any conferences, phone conversations with anyone about this Watergate break-in?

Mr. PORTER. No, sir, not at all, other than the normal——

Senator GURNEY. Did you hear anybody discuss it there at the Committee To Re-Elect the President?

Mr. PORTER. No, sir.

Senator GURNEY. What about destruction of records? What records have you destroyed other than the accounting that you have mentioned?

Mr. PORTER. Well, I really did not have any other records, Senator, other than some speech material and some travel schedules that were out of date and other things that I had been kind of saving over a period of months that really were not—I would not classify as anything important, but I did have those and I did throw those away, I think.

Senator GURNEY. From the time that you were in the service of the Committee To Re-Elect the President until now, have you ever had any discussions about Watergate or bugging or surveillance or sabotage with Mr. Haldeman?

Mr. PORTER. Never.

Senator GURNEY. With Mr. Ehrlichman?

Mr. PORTER. Never.

Senator GURNEY. With Mr. Dean?

Mr. PORTER. Never.

Senator GURNEY. With Mr. Colson?

Mr. PORTER. Never.

Senator GURNEY. With Mr. Kalmbach?

Mr. PORTER. Never.

Senator GURNEY. With Mr. Mitchell?

Mr. PORTER. Never.

Senator GURNEY. With anyone whose name I have not mentioned?

Mr. PORTER. With anyone whose name you have not mentioned?

Senator GURNEY. That is right.

Mr. PORTER. Mr. Magruder, although——

Senator GURNEY. Besides Mr. Magruder, that we have heard about.

Mr. PORTER. Yes, sir.

I do not believe so, Senator. I do not believe so.

Senator GURNEY. I understand you had a meeting on January 24, 1972, with Mr. Mitchell and Mr. Magruder, is that correct?

Mr. PORTER. Correct.

Senator GURNEY. What was the substance of that meeting?

Mr. PORTER. The substance of that meeting was that many of us who had come on early in the campaign and had been preparing a series of position papers and other reports on various aspects of the campaign and although I was the supposedly director of scheduling I had a few other duties that I had to perform like putting together an ethnic report, a middle-American vote report, a Spanish-speaking, Spanish American voter——

Senator GURNEY. These were routine.

Mr. PORTER. Yes, sir, these were large documents and Mr. Magruder set up a meeting on the 24th for me to deliver these reports to Mr. Mitchell.

Senator GURNEY. Nothing occurred in this meeting about bugging, surveilling, sabotage?

Mr. PORTER. No, nothing at all.

Senator GURNEY. Just two final questions.

Do you know of your own knowledge whether the President of the United States had any prior knowledge about Watergate?

Mr. PORTER. No, sir, I do not.

Senator GURNEY. Surveillance?

Mr. PORTER. No, sir, I do not.

Senator GURNEY. Do you know of your own knowledge whether the President of the United States had any participation or knowledge of the coverup?

Mr. PORTER. No, sir, I do not.

Senator GURNEY. Do you yourself have any knowledge of the coverup?

Mr. PORTER. Only——

Senator GURNEY. Other than what you—Mr. Magruder told you?

Mr. PORTER. Only to the extent of my own involvement in that.

Senator GURNEY. That is all, Mr. Chairman.

Senator ERVIN. Senator Talmadge.

Senator TALMADGE. Mr. Porter, what was your position before assuming your position with the Committee To Re-Elect the President?

Mr. PORTER. Sir, I was a staff assistant to the President working in Mr. Herb Klein's office at the White House principally in the same area, Senator Talmadge, that of a speaker bureau responding to requests for speakers that would come into the executive offices.

Senator TALMADGE. Who offered you that position?

Mr. PORTER. I am sorry.

Senator TALMADGE. Who offered you that position?

Mr. PORTER. I believe Mr. Magruder did back in January of 1971.

Senator TALMADGE. Why were you upset when Mr. Magruder suggested that the Committee To Re-Elect the President files and records might be searched?

Mr. PORTER. Well, sir, we had an extensive, as I understood it, an extensive advertising plan.

We had our key States, that was quite a confidential plan, what States we were targeting, the amounts of money we were going to spend in each State, all the polling data we had, the research data we had, the plans for the telephone banks that ultimately were quite successful that we had. I mean all those things, my whole surrogate planning schedule for the campaign, these were things that I understood could all be subpenaed and made public.

Senator TALMADGE. You know of nothing illegal that was in the files?

Mr. PORTER. No, sir, I do not.

Senator TALMADGE. Why did that upset—excuse me, go ahead.

Mr. PORTER. Yes, sir, go ahead.

Senator TALMADGE. The only thing you were concerned about was political information of a sensitive nature; is that an accurate statement?

Mr. PORTER. That is an accurate statement.

Senator TALMADGE. Did Mr. Magruder ever mention the President's name to you when he discussed with you this Watergate matter?

Mr. PORTER. The President's name was mentioned, sir, in a context of "Save the President from embarrassment. Doing this for the President." He never, never did he inquire nor did I infer that he, that the President of the United States, was aware of Mr. Magruder's request of me; no, sir.

Senator TALMADGE. Did he indicate to you that it was important to keep the investigators from getting to Mr. Mitchell, Mr. Haldeman, and the President?

Mr. PORTER. No, sir; I think, to answer the question directly, the answer would be no. However Mr. Magruder did say, I believe, that it was important that the investigation be kept to the Watergate investigation and avoid the embarrassment that could be caused by having it go on to other areas and he specifically mentioned Mr. Haldeman, Mr. Mitchell and the President as being those, and I think those are the three that he mentioned that could be embarrassed.

Senator TALMADGE. He wanted the investigators to be kept from the President, Mr. Mitchell, Mr. Haldeman, is that your testimony?

Mr. PORTER. Mr. Magruder didn't key on the investigators as much as he did the opposition, the Democrats coming in.

Senator TALMADGE. What was the area of sensitivity there? Why did he mention those specific names?

Mr. PORTER. I don't know, sir.

Senator TALMADGE. Did Magruder tell you that he had talked with Mr. Mitchell about this matter?

Mr. PORTER. Yes, sir.

Senator TALMADGE. What did he say Mr. Mitchell had said?

Mr. PORTER. He did not, sir. He said that, as I had stated earlier, that he had come from a meeting where my name had been brought up, and in that context he mentioned Mr. Mitchell's name.

Senator TALMADGE. What did he say Mr. Mitchell said?

Mr. PORTER. He did not quote Mr. Mitchell directly.

Senator TALMADGE. He didn't say anything in that regard?

Mr. PORTER. I think the answer to that question I should say Mr. Magruder in stating those who were present at the meeting I got a picture that there was a discussion of me and that he was bringing the message from the meeting so in that context——

Senator TALMADGE. What was the nature of the meeting? What was it about?

Mr. PORTER. I do not know, sir.

Senator TALMADGE. What did Mr. Magruder tell you occurred at the meeting?

Mr. PORTER. Magruder said my name had come up and that there was, first of all, he wanted to—he said he wanted to—assure me that no one higher than Mr. Liddy was involved in the Watergate. However there was a problem with the authorized funds given to Mr. Liddy and that apparently he had taken some of these authorized funds that had been authorized for what Mr. Magruder claimed to be legal purposes but embarrassing purposes.

Senator TALMADGE. How did your name arise in that discussion?

Mr. PORTER. Well, Senator, that they apparently had decided at this meeting that they wanted to be able to say, to tell the investigators that the money had been authorized to Mr. Liddy for something, I believe my words were, the other day were, a little more legitimate sounding than what they had been authorized for, and Mr. Magruder was going to do that and asked me, and I got the impression I was being asked by the others also, to corroborate that story, and to, in fact, replace one lawful authorization with another, one that would be less embarrassing but one that was not in any way, in my opinion, to my knowledge at the time, tied in any way to Watergate.

Senator TALMADGE. As I recall you testified last week that Mr. Magruder urged you to commit perjury, did you not?

Mr. PORTER. I didn't use those words, Senator.

Senator TALMADGE. That was the sum and substance of it, wasn't it?

Mr. PORTER. Mr. Magruder asked me to corroborate and change the date of a conversation, yes, sir.

Senator TALMADGE. Did he say he was making that statement on his own initiative or authority or that it came from higher levels?

Mr. PORTER. I don't believe those words were used but I certainly got the impression that they were from a group of people higher than Mr. Magruder.

Senator TALMADGE. What group do you think it was?

Mr. PORTER. The group that he said was at the meeting.

Senator TALMADGE. Who were they?

Mr. PORTER. Which was Mr. Mitchell, Mr. LaRue, Mr. Magruder, and a fourth person whose name I have not been able to remember for a year.

Senator TALMADGE. You think that was the group that urged you to follow the Magruder pattern; is that the idea?

Mr. PORTER. Yes, sir, it is.

Senator TALMADGE. All right.

Now, did Mr. Liddy ever give you some sealed envelopes?

Mr. PORTER. Yes, he did.

Senator TALMADGE. How many times?

Mr. PORTER. I would say three or four times.

Senator TALMADGE. What were his instructions when he gave you those envelopes?

Mr. PORTER. Mr. Liddy asked me to hold them for him and with the instruction that if anything should happen to him that I should take those envelopes directly to the Attorney General at that time.

Senator TALMADGE. Who was the Attorney at that time?

Mr. PORTER. Mr. Mitchell.

Senator TALMADGE. Did he tell you what the contents of those sealed envelopes were?

Mr. PORTER. No, sir, he did not. They were sealed.

Senator TALMADGE. Were you curious about what they were?

Mr. PORTER. I suppose in retrospect my curiosity was piqued somewhat but not enough——

Senator TALMADGE. Did you have any impression at the time as to what the contents were?

Mr. PORTER. No, sir, I did not.

Senator TALMADGE. Did you ever wonder about the nature of what he gave you?

Mr. PORTER. I thought about it, surely, Senator.

Senator TALMADGE. That, if anything happened to him you were to give them to the Attorney General of the United States?

Mr. PORTER. I am sorry, I missed that last.

Senator TALMADGE. Did it excite curiosity in your mind that he would give you sealed envelopes and tell you and instruct you if anything happened to him you would deliver them to the Attorney General of the United States?

Mr. PORTER. Yes, sir; I am only human and I was naturally curious but as I say they were in my safe and I forgot about them most of the time quite frankly, but they were there.

Senator TALMADGE. Did you return them to Mr. Liddy after he came back?

Mr. PORTER. No, sir; Mr. Liddy asked me on one occasion to shred them. He said, "You know those envelopes I gave you. Go ahead and shred them."

Senator TALMADGE. And you would do so?

Mr. PORTER. I did.

Senator TALMADGE. All three times?

Mr. PORTER. Sir, I believe all at once, the four envelopes I had—three or four different envelopes I had.

Senator TALMADGE. You shredded them at one time, not after he returned?

Mr. PORTER. No, sir; I shredded them all at one time.

Senator TALMADGE. All at one time. You testified last week about a meeting you had with Mr. Parkinson who, I believe, was the lawyer for the reelection of the President, was he not?

Mr. PORTER. I am not sure exactly which committee Mr. Parkinson represented, Senator, whether it was the finance committee or the reelection committee.

Senator TALMADGE. At that time I believe he directed you or suggested to you that you play ball by Magruder's rules or what was the comment that he made at that time?

Mr. PORTER. No sir. I believe that the conversation you are referring to perhaps that the staff has put down is that during the May 28 meeting that I had with Mr. Parkinson in his office at his request Mr. Parkinson made a comment about me by Mr. Magruder, and I do not remember exactly what the comment was, but I said "Well, that is kind of a strange thing for him to say" or something and he said "Well, let me tell you exactly what he said," and he picked up a yellow note pad and he had on it notes that he said he had taken from an earlier conversation with Mr. Magruder in his office, and he read from the bottom part of the page and I quote him "Porter told play ball by Mitchell, LaRue, Dean and Magruder. Porter will not hold up under indictment." Then he flipped the page and it said "Porter had meetings with Mitchell, Dean, LaRue, Magruder" and I looked at him rather incredulously I think and I said "First of all, Ken, I was never told to play ball by anybody. I never had a conversation with Mr. Mitchell or Mr. LaRue or Mr. Dean or Mr. Magruder was the only one I talked to. That the expression 'play ball' certainly was never used," and I described to him again the conversation Mr. Magruder had with me.

Concerning the second paragraph I never had any meetings after that with Mr. Mitchell or Mr. Dean. I may have had a conversation with Mr. LaRue but I would not classify them as meetings, and that was the extent of it.

Senator TALMADGE. Did anything else of significance occur at that conversation?

Mr. PORTER. I believe I have already testified that Mr. Parkinson told me when I detailed my story to him that I had no problem, that I had not committed perjury, that I had embellished the story, that I should not worry about it and when I asked him if I should, if he thought it was important for me to get a lawyer in this thing at all, he said no. I was certainly entitled to do so but he thought it would be a little disruptive at that point and it would take too long for a new lawyer to come in and learn all the facts in the case. We were

referring to the civil suit filed by the Democrats in which I was named as a defendant. So I took that advice and left.

Senator TALMADGE. Thank you, Mr. Porter. Thank you very much.

Mr. PORTER. Yes, sir.

Senator TALMADGE. No further questions.

Senator ERVIN. Senator Weicker.

Senator WEICKER. Mr. Porter, I would just like to cover two areas. In the disbursement of the moneys the list of which you gave to Senator Gurney, did you mention in that list the purchase of microfilm viewing equipment?

Mr. PORTER. No sir; I did not. And that should be in there.

Senator WEICKER. You did not mention it in the list which you gave Senator Gurney?

Mr. PORTER. No sir, I probably, in my mind I had that classified under the Reitz money but I did not specifically mention it.

Senator WEICKER. Well, is it the Rietz money or is there a separate expenditure?

Mr. PORTER. It is a separate expenditure, Senator.

Senator WEICKER. Thank you. Would you give me the amount of that expenditure?

Mr. PORTER. I believe it was probably $60, $50 or $60, something like that.

Senator WEICKER. In the nature of microfilm viewing equipment?

Mr. PORTER. Yes sir. Well, I would not classify it as microfilm viewing equipment. I would classify it as film strip viewing equipment, 35 millimeter film strip, not microfilm.

Senator WEICKER. You say you thought you had this classified in your mind under the Rietz payments but is it not so that you gave this money to your secretary, Martha Duncan?

Mr. PORTER. No, sir; I do not believe so.

Senator WEICKER. You gave no money, then, to your secretary to purchase microfilm for you and your equipment?

Mr. PORTER. No, sir; I do not believe so. I did not. If you would like me to tell you what I know about buying any equipment, I certainly can, but I do not remember giving Mrs. Duncan, or Miss Duncan—at least, nothing was ever purchased as a result of it.

Senator WEICKER. You never instructed your secretary to purchase viewing equipment for microfilms?

Mr. PORTER. Senator, I do not remember. I think at the time Mr. Magruder brought some 35-millimeter negative film to me on one occasion. I remember looking for a better viewing vehicle than the little tiny thing that you had to hold up to your eye, and I did go, I believe, to one or two camera stores around, close to the committee, and look for a 35-millimeter film strip projector. Now, it is possible that I might have asked Miss Duncan, on a lunch hour or something, to go to one of these places to see if she could find one or see if she knew where I could get one. I was having trouble finding one and I ended up getting one from New York or out of a New York company. So Miss Duncan did not purchase any of that equipment, to my knowledge.

Senator WEICKER. What was the purpose of this equipment?

Mr. PORTER. The purpose of the equipment was to view 35-millimeter film strips that were given to me.

Senator WEICKER. And what was the nature of those film strips?

Mr. PORTER. The nature of the film strips was that they were, appeared to be 35 millimeter photographs or negatives of interoffice memorandums from Senator Muskie's campaign headquarters to his Senate offices and back again.

Senator WEICKER. And did you give any sort of an admonition to your secretary, Miss Duncan, as to whether or not she was free to talk about these matters?

Mr. PORTER. I think there was a general understanding, Senator, at the time that it was not anything you went to a party and talked about, if that is an answer to the question.

Senator WEICKER. I want to know exactly what Mrs. Duncan's function was in relation to these particular microfilms.

Mr. PORTER. Let me back up, Senator, to answer the question, I think, a little more fully and put it in context. At a certain time, and I do not remember the exact month—November, perhaps, of 1971—Mr. Magruder came into my office with a small roll, a very small roll, of 35 millimeter film strip and a little viewing device that had a little light source from the back. He said, here, hold these for me, put them in my safe or desk or whatever I had at the time. I asked him what they were and he said, well, you can look at them, but never mind.

So I looked at them, and they were apparently, as I say, interoffice memos from staff members in Senator Muskie's office.

He came back later, I think a day later, perhaps, and retrieved the film strips, took them and said that he was going to show them to Mr. Mitchell. He came back and apparently he did show them to Mr. Mitchell, because he was a little irate at me for not making sure that the batteries worked, and apparently, he got all the way to Mr. Mitchell's office and the batteries did not work, and he blamed it on me.

After that time, when he gave the film strips back to me—I would say there were probably four or five frames on the strip—I think I asked Mr. Magruder where he got them and he refused to tell me at that time.

At a later date, Mr. Magruder said that Mr. Ken Rietz was going to be, was going to deliver these film strips to me and would I view them for him, and Mr. Magruder, and anything that I thought was "important" or interesting, that I should bring it to Mr. Magruder's attention and he would then tell me what to do with it.

I did that and Mr. Rietz started delivering these things to me, and I did view them. And at that, I think the first or second time that I did this, it became apparent that I needed something a little more easy on the eye, perhaps, to see what these things said, and so I then went out and out of my own pocket, I think, wrote a check for just a small, little projection device so that you could see it, you could enlarge it and see what it said.

Senator WEICKER. All right, now. Let us take it right at that point. Did your secretary participate in typing any transcripts or memorandums based on these microfilms?

Mr. PORTER. Yes, sir, she did. On one occasion, I remember there was a, I think it was in December, early December, there was a staff memo that I saw from one of the campaign officials to the Senator or perhaps to his campaign manager, saying that the Senator's role, I believe as chairman of a subcommittee on Governmental Operations or something like that——

Senator WEICKER. Which Senator is this?

Mr. PORTER. Senator Muskie—could be used as a great front to go to California and hold tax hearings that would be a great visual event for Senator Muskie and all at the taxpayers' expense and he could get a lot of value for his campaign.

We thought that was rather interesting, to say the least, and I told Mr. Magruder about it. He asked me to just copy the memo on a, I believe it was written on plain bond—and send it to Evans and Novak.

Miss Duncan did that. Miss Duncan typed it and we sent it to Evans and Novak, and they printed it and the hearings were never held.

Senator WEICKER. All right. Were there other documents or other instances where Miss Duncan performed services relative to——

Mr. PORTER. Yes, sir, I believe it was Miss Duncan. On one occasion, Senator Muskie's speech that he was going to deliver in the Senate against the nomination of William Rehnquist to the Supreme Court was on the film, and I specifically was—it was about 20 pages and I asked Mr. Magruder what he wanted me to do with it. He said, let me check, and he did check, and he got back to me and said, Mr. Mitchell would like to see it.

So that had to be completely typed and I had to read—I read off the film into an IBM dictaphone, and I believe it was Miss Duncan who typed that. I believe it was she.

Senator WEICKER. Miss Duncan now being your secretary, is that correct?

Mr. PORTER. Yes, sir.

Senator WEICKER. At any time, did you send Miss Duncan to the White House to give Gordon Strachan copies of the photographed documents or the transcripts emanating from those documents?

Mr. PORTER. I do not remember, sir, whether I did or not; I do not remember. It is possible that I did. If I did, it would have been because Mr. Magruder would have said, take a copy of this over to Gordon Strachan.

Senator WEICKER. I do want you to think about this answer.

Mr. PORTER. I understand.

Senator WEICKER. I am not trying to mislead you, and if you care to take a minute or so, just to carefully think about it, please do so. I do not want to rush you.

Mr. PORTER. I will tell it as I remember it, and I do—let me say this. Certainly, if Miss Duncan says that that happened, then it did happen. I would not dispute anything that she might say.

On the other hand, the only reason that I would send a document over to Mr. Strachan would be at Mr. Magruder's suggestion or direction. I believe that I do remember sending—I believe there was only one copy of the Rehnquist speech put together—I think—it was so long. However, on the item that appeared that was sent to Evans and Novak, I think perhaps that may have been sent over to Mr. Strachan. I just do not remember, Senator.

Senator WEICKER. And you realized at that time that these various documents—well, let me rephrase my question.

The obtaining of these documents, did you consider them to have been obtained legally or illegally?

Mr. PORTER. I remember asking Mr. Rietz. The first question I asked him, I said, "Is this any part of the U.S. mail?" And he said, "No."

I knew that intercepting the U.S. mail would be a violation of the law.

I put the photographing of a document in the same category as xeroxing a document. If you are taking a picture of it one way, you are taking a picture of it another way. So I did not think it was illegal. I thought it was very surreptitious, but I did not think it was illegal.

Senator WEICKER. You thought it was surreptitious?

Mr. PORTER. Yes, sir.

Senator WEICKER. But you did not think it was illegal?

Mr. PORTER. No, sir.

Senator WEICKER. Why, then, did you indicate to your secretary that these were not matters to be discussed?

Mr. PORTER. I think that is, in my opinion, that would be self-evident, Senator Weicker, that you would not go around discussing things like that, the same as you would not go around discussing any kind of information gathering that you might be doing.

Senator WEICKER. Did you indicate to her that if she discussed it, she would be fired?

Mr. PORTER. I do not believe I ever made that statement to her, no, sir.

Senator WEICKER. Again, let me just ask the question, am I correct in paraphrasing your answer to me that there might have been an instance where you sent material to the White House to Gordon Strachan or am I correct in saying that there were those instances and if so, how many? That is my question.

Mr. PORTER. I cannot remember the exact number of instances that I sent things to Mr. Strachan. Mr. Strachan would get copies addressed to Mr. Haldeman of many things that I did, Senator, in relationship to my primary function at the campaign or the surrogate operation, schedules, and plans——

Senator WEICKER. I understand, but——

Mr. PORTER. I do not remember—excuse me.

Senator WEICKER. Excuse me.

Mr. PORTER. I just do not remember specific instances where Mr. Strachan was sent an item here or an item there. As I say, if Miss Duncan says that she did, then I would believe that. But I personally do not remember that specific instance.

Senator WEICKER. You do not remember, then, sending Miss Duncan to the White House to give Gordon Strachan copies of these photographed documents?

Mr. PORTER. I would say that, if it is an answer, I kind of remember it, but not enough to sit and testify that I did it. All right? I mean, I sent Mr. Strachan documents and, on occasion, Miss Duncan would hand carry them for one reason or another—either because the messenger was not going to come back until 4 o'clock and it was noon, or Mr. Magruder wanted to get something over there right away, or something like that, and the secretaries would hand carry them.

Senator WEICKER. I have no further questions, Mr. Chairman.

Senator ERVIN. Senator Montoya.

Senator MONTOYA. Mr. Porter, I believe at one stage in your testimony, you stated that you had been instructed by Mr. LaRue, Mr. Magruder, Mr. Parkinson, and Mr. O'Brien not to mention Mr. Reisner in your testimony.

Mr. PORTER. Yes, sir. I think, again, I am not sure that I stated it exactly that way. I think what I stated was that Mr. Magruder specifically asked me not to bring up Mr. Reisner's name to the FBI or to the grand jury.

Mr. Parkinson——

Senator MONTOYA. Did you ask him for any reasons why?

Mr. PORTER. I believe I asked Mr. Magruder why, and he said, well, he said, Bob's not involved in any of this. He is a young guy, why don't you leave him? You know, it does not do any good to drag his name into it—words to that effect.

Those are the same words I think Mr. Parkinson used—oh, he is a young fellow, he does not have to be dragged into this. If you do not have to mention his name, do not mention it.

Senator MONTOYA. Did you know at any time that he might, could be involved?

Mr. PORTER. No, sir; I did not.

Senator MONTOYA. What was Mr. Reisner's capacity or position in the CRP at that time?

Mr. PORTER. Mr. Reisner was Mr. Magruder's administrative assistant.

Senator MONTOYA. And pursuant to your conversation with Mr. Parkinson and the other people, you did appear before the FBI, or you were interviewed by the FBI, you did appear before the grand jury, and you did appear before the U.S. attorney, did you not?

Mr. PORTER. I did appear before the FBI—they did interview me. I did appear before the grand jury on one occasion, and I did appear at the trial of Mr. Liddy and Mr. McCord.

Senator MONTOYA. And the testimony which you have used at all three places was with respect to the disbursement of approximately $100,000?

Mr. PORTER. No, sir, that is not correct.

Senator MONTOYA. What was your testimony?

Mr. PORTER. My testimony was that I gave Mr. Liddy approximately $35,000—$30,000 to $35,000, which is correct. What I stated was that Mr. Magruder had asked me in December how much a program of infiltrating radical organizations would cost, and I told him that it might cost $100,000. Mr. Magruder, I understand, used that, that conversation, as a basis to then say that he had authorized Mr. Liddy $100,000 for the infiltration of radical groups so that he would not have to say that he gave, authorized $100,000 to Mr. Liddy for dirty tricks.

Senator MONTOYA. Well, there was a——

Mr. PORTER. I never—excuse me.

Senator MONTOYA. There was a dialog between you and Mr. Magruder with respect to figures about which you would testify before the grand jury—namely, $100,000 or $80,000, was there not?

Mr. PORTER. No, Senator, I think what you are referring to is that the $100,000 figure that I testified to was a hypothetical figure. I never testified——

Senator MONTOYA. I understand that, Mr. Porter. You mentioned this in a conversation with Mr. Magruder, indicating to him that he could justify the expenditure of $100,000 by hiring 10 students.

Mr. PORTER. Yes, sir.

Senator MONTOYA. But what figure did you testify to before the grand jury and at the trial?

Mr. PORTER. Which figure are you referring to, Senator Montoya? You mean the money I gave to Mr. Liddy or the money——

Senator MONTOYA. That is correct.

Mr. PORTER. I testified to the FBI and to the grand jury and to the trial that I gave Mr. Liddy a total, pre-April 7, of approximately $35,000.

Senator MONTOYA. Where does the $100,000 enter into it other than, as you have mentioned with respect to the illustrative case that you have referred to?

Mr. PORTER. It did not.

Senator MONTOYA. All right.

Now, when you went to Mr. Parkinson's office, did he at any time indicate to you that Mr. Magruder was going to contend that there had been a delivery of $100,000 to Mr. Liddy?

Mr. PORTER. No, sir.

Senator MONTOYA. Now, did you at any time visit Mr. Silbert?

Mr. PORTER. I have visited Mr. Silbert recently, sir.

Senator MONTOYA. Did you during those days when you were conversing with Mr. Magruder about a possible appearance that he might make at Mr. Silbert's office—did you at that time visit Mr. Silbert?

Mr. PORTER. No, I did not, sir.

Senator MONTOYA. Did you ask Mr. Magruder or Mr. LaRue for a Government job during your discussions with him about your grand jury testimony?

Mr. PORTER. To answer that question specifically, I would have to answer no, but there is some yes in it and if I could perhaps explain that.

In January of this year, when we were getting through with the President's inauguration, obviously, the thoughts turned to future employment and I got Mr.—Mr. Magruder told me that I believe it was Mr. Malek at the White House could be, could possibly be an obstruction to my getting a good job with the Government, and I asked Mr. Magruder what he thought I should do about it.

He said, "Well, I think Mr. Mitchell could probably help you a little bit. You know, he's still got some clout there."

So I said, "What is the best way to do that? Should I call him directly or what?"

He said, "No, why don't you talk to Fred LaRue?"

So I believe I went over and talked to Mr. LaRue, and the conversation went something like my saying, "Fred, you know this problem that I have with Mr. Malek." I said "I have been a pretty loyal guy."

And he said, "Yes, I know that."

And I said, "Now, I do not want to be treated any better than anybody else, but I sure as heck don't want to be treated any worse than anybody else, either. Do you think Mr. Mitchell could perhaps make a call and unloose the log jam a little bit?"

He said, "Yes, I will call him."

And I understand that he did. That was the extent of that conversation.

Senator MONTOYA. Why were you concerned about Mr. Malek obstructing any move that you might make?

Mr. PORTER. Mr. Malek was in charge of handing out Government jobs, Senator, and that didn't sound too good when he heard that he perhaps could be an obstruction to my getting one and I wanted to see what I can do.

Senator MONTOYA. What reason did you have to believe that?

Mr. PORTER. I believe, strictly personal, Senator. It was between Mr. Malek and me.

Senator MONTOYA. Was it your understanding around the CRP on important decisions that Mr. Haldeman should be informed?

Mr. PORTER. Yes, sir.

Senator MONTOYA. And what sphere of decisions would you say covered any communications between the CRP and Mr. Haldeman at the White House?

Mr. PORTER. Senator, I can only—I would have to confine my answer to my area of involvement in the surrogate scheduling program, but everything that I did, all reports, all plans, all schedules, all States, key States, times, et cetera, were all sent to Mr. Haldeman.

Senator MONTOYA. Did that include disbursements?

Mr. PORTER. Sir, I am not aware of that. I was never asked to give Mr. Haldeman or anybody like that any——

Senator MONTOYA. Well, would you say definitely that it did not include disbursement?

Mr. PORTER. I would say that to my knowledge, it did not include any disbursements that I made but that is as far as I could go.

Senator MONTOYA. You mentioned that for every disbursement that you made you had received a receipt?

Mr. PORTER. Yes, sir.

Senator MONTOYA. From the recipient?

Mr. PORTER. Yes, sir.

Senator MONTOYA. How long did you keep these receipts?

Mr. PORTER. The initial receipts from the pre-April 7 money I kept until the end of March, I believe when Mr. Sloan asked me to balance with him. I did. The figure was approximately $52,000. I had balanced, I had no reason to keep the receipts any longer—excuse me, and so I threw them away.

I had additional receipts that were in my possession until after the Watergate break-in and I would say approximately a week or 10 days after the break-in I believe it was Mr. LaRue who came by my office and said, "You know if you have anything that might be politically sensitive or whatever," again using the immediate discovery story of the Democrats civil suit, you know, "Why don't you just throw it away." So I went through a few things and I didn't think I had anything politically sensitive but in that same process I did ask Mr. Reisner to come in again and we did balance, and Mr. Reisner was made aware of the money and the cash on hand and the amount of money received from Mr. Sloan, et cetera, and those receipts then were thrown away.

Senator MONTOYA. Who did you show these receipts to before you destroyed them?

Mr. PORTER. Mr. Reisner.

Senator MONTOYA. Did you show these receipts to Mr. Magruder?

Mr. PORTER. I don't believe so. It is my understanding that Mr. Reisner relayed the information to Mr. Magruder, that is what he told me.

Senator MONTOYA. What was so sensitive with respect to Watergate that in your own discretion you destroyed them?

Mr. PORTER. No, sir, I never said it was any relation to Watergate at all, and I don't put anything in the category that I relate to you involving any of the payments that I made after April 7 to Watergate.

Senator MONTOYA. Just mention or state to me what sensitivity did you find in those receipts that warranted their destruction.

Mr. PORTER [conferring with counsel]. Yes, sir; as I say Mr. LaRue had come to my office and had asked me to throw away anything that could be in the category of being politically sensitive. I would imagine, I put in that category payments to Mr. Odle during the mining of the Haiphong Harbor and payment to Mr. Joanou which I later learned was for an ad in the New York Times and I felt those were politically sensitive enough that I should not keep them.

Senator MONTOYA. What others?

Mr. PORTER. Well, sir, if I were going to throw away two or three I just took them all, again I had balanced with Mr. Reisner and had no need to keep them. It was strictly——

Senator MONTOYA. You must be able to recall other instances in the sensitivity which you placed on those receipts?

Mr. PORTER. No, sir, I do not. As I have stated, I had balanced with Mr. Reisner, I did not have an accounting function at the committee. I had—the receipts were strictly internal documents. They were not meant for any public viewing at all and they were strictly internal and I had satisfied the internal requirement and I destroyed them, I threw them away.

Senator MONTOYA. How many receipts would you say that you destroyed, can you estimate that, sir?

Mr. PORTER. The second time, sir, after the Watergate break-in?

Senator MONTOYA. Yes.

Mr. PORTER. I would say approximately 10.

Senator MONTOYA. And did you destroy other documents?

Mr. PORTER. I had some, as I say, travel schedules and old speeches and position papers and that sort of thing from some of the potential candidates that I had been keeping that I threw away.

Senator MONTOYA. Now, what were your exact duties at the CRP besides scheduling, what other duties did you have?

Mr. PORTER. Well, sir, as I said in my—one of my earlier statements, almost all of my time was spent in the surrogate schedule, planning for the surrogate program which amounted to over a thousand man days of campaigning on the part of the surrogates, all their schedules, talking with State chairmen and their appointed agents all over the country, working on airline schedules.

Senator MONTOYA. Mr. Porter, I don't mean any duties pertaining to your scheduling and being out in the field, I say within the CRP in-house what other duties did you perform?

Mr. PORTER. Other than those I have described, sir, that was it.

Senator MONTOYA. In other words, you were the one who would give instructions to Mr. Sloan for the disbursements of money?

Mr. PORTER. I beg your pardon?

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Senator MONTOYA. You were the one who would give instructions to Mr. Sloan for the disbursements of money or you would receive the money from Mr. Sloan and in turn give money to individuals such as Mr. Liddy?

Mr. PORTER. That is right. I received my instructions from Magruder on the—who was to get certain funds and approximately how much, and I did go to Mr. Sloan, and I did get those funds and I did pass them on to various individuals. As I stated to Senator Baker, I believe on Thursday, of the some $60,000 that went through me from Sloan to others, that in going back about 75 percent of that I did not know what the money was being used for at the time. I served as a, I guess more or less a, bank teller really or a messenger to go down and pick it up.

Senator MONTOYA. That is all, Mr. Chairman.

Senator ERVIN. I have just one or two questions.

Mr. PORTER. Yes sir.

Senator ERVIN. Mr. Porter, you give the appearance of a man who was brought up in a good home.

Mr. PORTER. Thank you, sir.

Senator ERVIN. And you were undoubtedly taught that it is an obligation of a citizen to testify truthfully when he is called on to testify under oath before a grand jury or a petit jury.

Mr. PORTER. Yes, sir.

Senator ERVIN. But you were persuaded not to do so with respect to the nonexistent conversation between you and Magruder in December 1971 by Magruder's insistence that your loyalty to the President required you to go along with him on that proposition.

Mr. PORTER. I would say that is basically correct.

Senator ERVIN. Then later you applied for a position with the Government and did not receive it?

Mr. PORTER. I would say a more accurate response to that is that I encountered quite a bit of difficulty in getting it and finally did receive an offer which I received on my own initiative.

Senator ERVIN. Yes! Well, it was a wise man——

Mr. PORTER. I am sorry, Mr. Chairman, and rejected it.

Senator ERVIN [continuing]. It was a wise man named "William Shakesphere" who wrote a play called Henry the IV and in that he has one of his characters, Cardinal Woolsey, say after Cardinal Woolsey instead of serving his church had served his king and he was cast out in his old age by the king, and he said, "Had I but served my God with half the zeal I served my king he would not in mine age left me naked to mine enemies." [Applause.]

Please cut out the applause.

Senator Baker.

Senator BAKER. Mr. Chairman, I have no further questions. I thank Mr. Porter for long, arduous testimony. He has been here now for the better part of 2 days, covered a lot of material, and very frankly there is a lot more material to cover. As Mr. Porter will recall, when I first examined him I asked him to be prepared to return and answer other questions on other subjects and you indicated that you would. In the interest of time and orderliness the committee has tried in an informal way to compartmentalize these proceedings, the particular subject matters, so we omitted to ask certain questions. We have not probed

in great depth into other matters, but we intend to do that, and I understand you are fully agreeable to return to testify.

Mr. PORTER. Absolutely.

Senator BAKER. Thank you very much, Mr. Porter.

Senator ERVIN. Counsel have any questions?

Mr. DORSEN. I have two or three questions along the lines we have been talking about, Mr. Porter. First, did you ever meet privately with any assistant U.S. attorneys before your grand jury appearance that led to the September indictments?

Mr. PORTER. No sir, I did not.

Mr. DORSEN. In your conversations with——

Mr. PORTER. Excuse me [conferring with counsel]; that is correct, I did not.

Mr. DORSEN. In your interview with the Federal Bureau of Investigation or in your testimony before the grand jury, were you ever asked, for example, the sums of money, the denominations of money which you gave to Mr. Liddy?

Mr. PORTER. Yes, sir.

Mr. DORSEN. What did you say?

Mr. PORTER. The same thing I have stated to this committee, the sums were in total amount, aggregate was approximately $30,000, $31,000, $32,000, and the individual amounts were, ranging anywhere from I think $500 to on one occasion $6,000.

Mr. DORSEN. Were you ever asked in view of the fact that the program required setting up of 10 individuals at $1,000 a month why the units you gave Mr. Liddy were not in units of $1,000 or aggregated $10,000 a month?

Mr. PORTER. No, sir; I do not believe so.

Mr. DORSEN. Was it your understanding that the conversation which you had with Mr. Magruder, according to the testimony——

Mr. PORTER. Yes, sir.

Mr. DORSEN [continuing]. Would provide the justification for your having paid Mr. Liddy the sum of $30,00 yourself?

Mr. PORTER. Mr. Dorsen, I never testified, in fact let me state it positively, I testified that I did not know specifically what Mr. Liddy did with the money I gave him. I also testified that I gave him a total of approximately $35,000.

Mr. DORSEN. But am I correct that your conversation with, supposed conversation with Mr. Magruder, the one that never took place——

Mr. PORTER. Yes, sir.

Mr. DORSEN [continuing]. Was supposed to provide the justification for the large sums of money given by you to Mr. Liddy; is that correct?

Mr. PORTER. It is my understanding that part of the money that I gave to Mr. Liddy was supposedly going to be justified under that basis and later I learned that there was a substantial sum Mr. Sloan had given him which I had not been aware of.

Mr. DORSEN. Were you asked by the FBI or before the grand jury any other questions concerning the use of the money you gave Mr. Liddy such as whether you asked Mr. Liddy whether there were infiltrators, whether Mr. Liddy indicated there were infiltrators, anything along those lines?

Mr. PORTER. Not that I remember.

Mr. DORSEN. Now, Mr. Porter, you have stated today that at no time did you request immunity from the U.S. attorney's office and, in fact, I know you have not requested immunity from this committee; is that correct?

Mr. PORTER. That is correct.

Mr. DORSEN. And I assume also that you have no desire to be indicted for perjury; is that correct?

Mr. PORTER. Yes, sir, that is correct.

Mr. DORSEN. Could you please tell the committee why then, at this time did you, or I assume your counsel, seek immunity?

Mr. PORTER. I guess, Mr. Dorsen, that would really have to go, to answer that question fully I would have to go back to Senator Baker's rather searching questions on Thursday. No matter how much a person prepares he thinks he is prepared to answer a question like that and it turns out when he is faced with it he fumbles a bit and I have done a lot of reflecting on those questions and why I did what I did and why I am here doing what I am doing now. That many of the reasons that the, the normal reasons that you read about in the newspaper and you hear about that people do things like that were not present in my case. I did not do it for money, I did not take a bribe, I did not do it for power, I did not do it for position, I did not do it to hide anything I had done because I did not think I had done anything. And yet, on the other hand, there were three or four factors that probably weighed and I cannot put any percentage on them of which weighed more and which toppled me over onto the other side. My vanity was appealed to when I was told my name had come up in high counsels, and I was an honest man and I made a good appearance and that sort of thing. My loyalty was appealed to, to the President. It was the heat of the campaign, a campaign as I am sure everyone of you Senators know was an abnormal situation, you react, you act and react, you spend most of your time reacting, and I was, I think all of those things coupled with what I have found out to be a weakness in my character quite frankly, to succumb to that pressure, all added up to my tipping over to that side.

Having discovered that weakness, and having determined that the context in which what I did has been put, the first thing I told my attorney, I said I want to go down and I want to tell the truth and I do not want to, you know, hide behind a darned thing and I have not tried to make any deals with anybody and, as I say, I have not come to this committee to do so. Senator Baker used the word atonement the other day, perhaps that is what I am doing, I do not know. I will let others judge that but that is the way I feel and that is what I am doing.

Mr. DORSEN. I have no further questions at this time.

Senator GURNEY. Mr. Chairman, could I have one question I would like to put to the witness?

Senator ERVIN. Yes.

Senator GURNEY. From time to time these people that you employed in the prank or sabotage department made reports to you, did they not?

Mr. PORTER. On a couple of occasions, I believe they wrote letters and explained what it was they had done; yes, sir.

Senator GURNEY. I am not interested in the substance of the reports. Did they make reports to you by phone conversations?

Mr. PORTER. The first gentleman, Mr. Greaves, talked to me a couple of times on the telephone, yes, sir, and—but he, as I say, he was only on board, so to speak, for a very short period of time, 2 weeks, so I do not believe there were any written reports at all or any kind. No reports were required. The second fellow, I believe, sent one handwritten statement that was later, I think, retyped and shown to Mr. Magruder but it was brief, maybe about a page long, a page and a half and had to do with his activities in a field office of Senator Humphrey's up in Pennsylvania, some place or something like that.

Senator GURNEY. Well now, these reports, whatever nature they were, were they phone calls?

Mr. PORTER. I would say reports, Senator.

Senator GURNEY. Reports or conversations. Who did you report to?

Mr. PORTER. Mr. Magruder.

Senator GURNEY. About what they were doing?

Mr. PORTER. Mr. Magruder.

Senator GURNEY. Did you report to anyone else?

Mr. PORTER. No, sir.

Senator GURNEY. Did you report by written memorandum?

Mr. PORTER. I believe on one occasion I did report on the, as I say, it was a narrative of the man's letter that he had sent on his activities in this field office in Pennsylvania, that was the only one, as I remember.

Senator GURNEY. Do you know if Mr. Magruder made a report to anyone about these activities?

Mr. PORTER. I do not. I would expect that perhaps Mr. Magruder may have taken that document or that report and shown it to somebody.

Senator GURNEY. But you and Mr. Magruder never discussed this, whether he was——

Mr. PORTER. No, sir, I do not think—I think I gave it to Mr. Reisner, as a matter of fact, Mr. Reisner had it and gave it back to me.

Senator GURNEY. This is the written report you are talking about?

Mr. PORTER. Yes, sir.

Senator GURNEY. Did Mr. Reisner say what he did with it?

Mr. PORTER. No, sir, he did not.

Senator GURNEY. Did you make any report at all to anyone in the White House?

Mr. PORTER. No, sir.

Senator GURNEY. Did not?

Mr. PORTER. No, sir.

Senator GURNEY. Neither during your term with the Committee To Re-Elect the President or afterward?

Mr. PORTER. You mean, Senator, on this particular subject matter or on all the things I was doing in my role as surrogate scheduling?

Senator GURNEY. I am not talking about the legal activities. I am talking about Watergate, bugging, surveillance, sabotage, coverup, all these activities.

Mr. PORTER. Sir, I did not know anything about the Watergate. The only part of any so-called coverup that I was aware of was the part that I knew about, that I was scheduler and I did not put it in the context of the Watergate coverup but there were no written reports, to my knowledge, at all.

Senator GURNEY. All right, thank you.

Thank you, Mr. Chairman.

Senator ERVIN. I understand Senator Inouye has a question.

Senator INOUYE. Thank you very much, Mr. Chairman.

Mr. Porter, you have testified that you have been in charge of the scheduling of surrogate speakers. Did you schedule the appearance of the Acting FBI Director, Mr. Gray?

Mr. PORTER. No, sir, I did not.

Senator INOUYE. Who did?

Mr. PORTER. Mr. Gray's activities or scheduling were handled out of the White House, to my understanding. He was not a surrogate for the campaign.

Senator INOUYE. Do you know who did the scheduling, sir?

Mr. PORTER. I do not know firsthand. I have read in the newspaper reports that it was out of the White House speakers bureau.

Senator INOUYE. Thank you very much.

Thank you, Mr. Chairman.

Senator ERVIN. The Bible bestows blessing on him who swears to his own word and changeth it not. I want to commend you on the forthrightness of your testimony before this committee.

Thank you very much.

Senator BAKER. Mr. Chairman, before the witness is dismissed, I want to join in that expression to the witness. I must say that he and I trod on delicate and painful ground on Thursday.

And I think you were very manly in the way you reacted to probing and searching questions. It is not an easy job you have undertaken. And the committee is not here to sit in judgment on your guilt or innocence. But the committee is privileged. I would like to comment on your forthcoming testimony and spirit. So while we have used your testimony to probe and explore the atmosphere of campaigning, I hope we have not left the impression that we have done so with an absence of sensibility for your own situation and your own private concerns. I think you are to be commended for appearing and testifying and the committee is grateful and I am grateful.

Mr. PORTER. Thank you, Senator.

Thank you, Mr. Chairman.

Senator ERVIN. Thank you very much. You are excused now subject to recall at some future date if the committee desires it.

Mr. PORTER. Yes, sir.

Senator ERVIN. Counsel will call the next witness.

Mr. EDMISTEN. Mr. Chairman, the next witness is Mr. Maurice H. Stans.

Senator ERVIN. I have been advised that counsel for the witness desires to make some statement to the committee and we will be glad to hear you at this time.

First I would suggest that counsel identify himself for the purpose of the record.

STATEMENT OF ROBERT W. BARKER, COUNSEL FOR MAURICE H. STANS

Mr. BARKER. Mr. Chairman, I am Robert W. Barker, legal counsel for the Honorable Maurice H. Stans.

Mr. Chairman and members of the committee, I appreciate this opportunity of making clear for the record Mr. Stans' legal position with respect to testifying before this committee at this time and under the prevailing circumstances.

First, I would like to clear up two items with respect to some of the confusion that may have arisen in the press. First, Mr. Stans has not requested and does not now request not to appear before this committee. He is merely requesting, Mr. Chairman, that in view of the impending criminal case in New York against him, his appearance be deferred until an appropriate time.

Second, no court has ruled or ordered Mr. Stans to appear and testify before this committee.

In the criminal proceeding in New York, the judge has invoked the local court rule which precludes the defendant's or counsel discussing the controversy outside of the courtroom. Since this was made specifically applicable to Mr. Stans as one of the defendants, we applied to Judge Gagliardi for a ruling as to whether rule 8 restrained Mr. Stans and counsel from appearing and testifying before this committee. We did not ask Judge Gagliardi to rule that Mr. Stans could not appear and testify. The court ruled that rule 8 did not apply to legislative hearings. It did not rule and reserved for a later ruling on whether the extensive blanket of publicity generated by the Watergate activities in this committee would impair the right of fair trial. He ruled that that would be considered at the time the trial is scheduled to commence on September 11.

Mr. Chairman, members of the committee, as you probably recognize, you have a very unique and unusual legal problem to face with Mr. Stans being called and subpenaed to testify here today. He is the first witness to appear before your committee who is under an impending indictment for criminal matters arising out of the Presidential election campaign. As was pointed out this morning by Judge Sirica in his ruling in the district court, the cases then before him did not involve people under pending indictments. He considered that an important distinction.

The ruling which we will ask you to make is a very important and fundamental legal ruling. Since it involves Mr. Stans' personal and individual rights under the Constitution, it is much different than the position of the special prosecutor, Mr. Cox, when he asked merely that these hearings be deferred.

Now, having said this, I would like to take a minute to review some factual background upon which we will ask this committee to base its ruling. The first knowledge Mr. Stans had of the Watergate break-in was on June 18, 1972, when he read about it in the morning papers. He was just as shocked and just as surprised as any person in this room. Thereafter, consistent with his high standards of ethics and his position as a loyal American, demonstrated by years of service to this country, he set a standard for himself and his staff of complete cooperation with the investigation.

When his legal counsel to the finance committee, Mr. G. Gordon Liddy, refused to cooperate with the FBI investigation, he was promptly discharged, with Mr. Stans' approval. Immediately thereafter, Mr. Stans encouraged his own staff to cooperate and he gave full cooperation himself with all investigatory bodies and authorities.

Commencing early in July of 1972, on three occasions, he voluntarily submitted himself to inquiries and discussions with FBI agents concerning the Watergate break-in and the Presidential election campaign.

On August 2, 1972, Mr. Stans voluntarily appeared and gave sworn testimony to the assistant U.S. attorney for use before the Watergate grand jury here in Washington, D.C.

Subsequently, Mr. Stans voluntarily appeared before the staff of the House Banking and Currency Committee and gave information with respect to campaign finances and cooperated with that committee.

On six different occasions, in addition to submitting the official reports required of the committee, Mr. Stans gave affidavits and discussed matters with representatives of the General Accounting Office concerning campaign finances and activities. He did everything he could to clarify matters.

Again voluntarily, he went to New York and appeared before the U.S. attorney handling the grand jury investigations into the Vesco contribution to the campaign. He then also voluntarily appeared on two occasions before that grand jury and fully and candidly and completely testified as to the matters known to him to the best of his ability.

In addition, on three occasions, he has given depositions in the civil litigation arising out of the campaign. He has also testified for the litigation in Florida, a criminal case down there.

Subsequently, he appeared before the staff of this committee and on two occasions, gave them information concerning the campaign activities and finances, and he fully intended to appear voluntarily before this committee and to give it all the cooperation and assistance that he could.

However, on May 10, the United States of America, of which this committee is a part, a coordinate branch, changed the whole situation. It brought an indictment against Mr. Stans, charging him with very serious crimes arising out of the campaign and his duties as chairman of the finance committee.

As you know, Mr. Stans pleaded innocent.

Now, Mr. Stans is before this committee under subpena, with a direction to testify about his function as chairman of the Committee To Re-Elect the President. Inevitably, directly or indirectly, this hearing will influence any jury which might be called to hear the case in New York. This places Mr. Stans in an impossible position and a completely unfair one. Under our constitutional system and the fundamental laws of this land, an accused is entitled to a fair trial by an impartial jury, unimpeded by a deluge of publicity. In other words, as the Supreme Court said in *Estes* v. *Texas*, the concept of due process of law entitled the defendant to "both judicial serenity and calm."

Now, Mr. Chairman, the inevitable Kleig light of publicity which will result from Mr. Stans' appearance here would preclude any judicial serenity and calm at the trial now set, as I say, for September 11 in New York. It would also tend to deny him the possibility of an impartial jury of the kind guaranteed by the sixth amendment. To paraphrase the language of the Supreme Court in *Delaney* v. *U.S.* (199 F. 2d. 107, 1st cir., 1952), Mr. Stans' appearance before this committee and the television and other news media related thereto would accomplish additional investigation and extensive publicity

which would serve no other purpose than to further prejudice Mr. Stans' right to a fair trial.

Now, the Supreme Court, in speaking of the problem of publicity and fair trial, has said, ". . . the Court has insisted that no one be punished for a crime without a charge fairly made and fairly tried in a public trial free of prejudice, passion, commitment, and tyranical power." (*Chambers* v. *Florida*, 309 U.S. 222, 236–237, 1940).

Also speaking of freedom of the press, the Supreme Court has said ". . . it must not be allowed to divert the trial from the very purpose of the court system. . . to adjudicate controversies both in the calmness and solemnity of the court-room according to legal procedures. . . . Among the 'legal procedures' is the requirement that the jury's verdict be based on evidence received in open court, not from outside sources." (*Sheppard* v. *Maxwell*, 384 U.S. 333, 350, 351, 1965).

The undeviating rule of the Supreme Court was stated long ago by Mr. Justice Holmes, when he said, "The theory of our system is that the conclusions to be reached in a case will be induced only by evidence and argument in open court and not by any outside influence, whether of private talk or public print." (*Patterson* v. *Colorado*, 205 U.S. 454, 462, 1907).

Now, this was said in 1907, before the great media of radio and television existed. I am sure that if he were speaking today, he would include those great media within the scope of public print.

Now, as I have said, the Supreme Court has indicated that a defendant is entitled as part of due process of law to a fair and impartial jury trial free from outside influence. I pose this question: After all the publicity given these hearings and the Watergate situation in general, where in the United States can an impartial jury, uninfluenced by publicity, be found?

Moreover, under our settled system of due process of law and justice guaranteed by the fifth amendment, an accused has a right to remain silent, completely silent, and require the Government to go forward with the presentation of its evidence before the defendant need present his case or put on any evidence. By requiring Mr. Stans to appear here before one of the coordinate arms of the Government which has placed these charges would require Mr. Stans to present his case in advance of hearing the Government's case in New York. This clearly would deprive him of due process of law.

If Mr. Stans refuses to testify, as we understand it, he would be under a severe threat of citation for contempt of Congress and would face imprisonment. This places him under compulsion of either interferring with his own fair trial or going to jail. I repeat, this is a completely unfair position to put him in.

The only other alternative open to Mr. Stans, Mr. Chairman, is for him to refuse to testify on the grounds of the fifth amendment. This would tend to degrade and embarrass him and would severely interfere with fair trial, because he would be branded throughout the United States as a former Cabinet officer who had taken refuge behind the fifth amendment.

What would a prospective juror say about that?

The courts have recognized and the facts of many cases show that the taking of the fifth amendment, even though it is a constitutional

right, is likely to severely prejudice a person in the minds of the public, including prospective jurors.

Mr. Chairman and members of the committee, Mr. Stans is left no reasonable choice or fair opportunity. As lawyers of broad experience, each of you must recognize that fact. Therefore, under the prevailing circumstances, on behalf of Mr. Stans, I respectfully request that the committee, and I strongly urge the committee in the interest of fairness and fair trial, defer Mr. Stans' appearance and testimony until the indictment in the *Vesco* case in New York has been disposed of. It is probably already too late to preclude the publicity which will make a fair trial in that case impossible. However, I sincerely pray that the committee will at least not make the situation worse by proceeding at this time with Mr. Stans' testimony.

Thank you, Mr. Chairman and members of the committee.

Senator ERVIN. Well, Mr. Barker, you have made a very appealing statement to the committee. In view of the fact that the committee was apprised in advance of the nature of the position which would be taken in behalf of the witness, the committee considered this matter at great length this morning.

This committee has been authorized and directed by a unanimous vote of the Senate to investigate the question whether any persons, acting individually or in combination with others, engaged in illegal or unethical or immoral activities in connection with the Presidential election of 1972, or in connection with any campaigns of any candidates seeking nomination to run in that election which had the effect of perverting the integrity of the process by which Presidents of the United States are nominated and chosen.

I note in your statement that the only effect of requiring the witness to testify would be to prejudice his rights. I do not think that is the only effect of taking his testimony, because taking the testimony of this witness and the testimony of other witnesses will enable this committee to determine whether the activities suggested took place, whether those activities imperiled the integrity of the process by which the people of the United States select the occupant of the highest office within their gift—that is, the Presidency of the United States—and whether any new legislation is necessary or advisable to punish or prevent a recurrence of any activities which the committee may find were illegal or unethical or improper.

Now, the people of the United States certainly have a paramount interest in whether those who exercise high governmental power discharge or fail to discharge their duties, they have a high interest in learning whether or not electoral processes for the nomination and selection of Presidents have been polluted. And I do not think, and I think the committee does not think that we should put off investigation of these matters until they can be determined by the court, because the Constitution gives the Senate not only the power but the duty to make investigations of this character. The courts have had approximately a year to deal with these matters and justice has a habit of treading on leaden feet, so I certainly think it would be manifestly unfair and the committee concedes this to be true, and the committee has authorized me to state that in the unanimous judgment of the committee, no questions should be directed to the witness in respect to the matters alleged in the indictments in the U.S. District Court in New York. I would like to advise you and the witness at this time that

if any question should be put to the witness which infrequently would require any testimony about the matters involved in that case, that it be called to our attention so we can be certain that it will not be answered.

Of course, the defendant has a constitutional right under the fifth amendment to refuse to testify if his testimony would tend to incriminate him, and I can understand the reluctance of the witness to invoke that right.

The committee, as I say, has had—fortunately, you gave advance notice to the counsel and we considered this matter fully and it is the judgment of the committee, first, that the witness will not be asked any questions relating to the New York case; second, that the witness or his counsel will be privileged to call attention of the committee to any question which might invade the field covered by that case; and third, that it is the duty of the committee, in the absence of an invocation of a constitutional right not to testify, to interrogate the witness. So the committee will require the witness in the absence of an invocation of constitutional privilege, to testify.

Mr. BARKER. Mr. Chairman, just for the purpose of the record, I would like to clarify the ruling of the committee, then. Mr. Stans is appearing here today under subpena. He, in order to protect his right of fair trial, has not volunteered to be here today. And now the committee has directed him under the penalty of citation of contempt of Congress to proceed to testify.

Is that correct, Mr. Chairman?

Senator ERVIN. The committee has directed him to testify and the committee recognizes, as you as one learned in the law, that a refusal to testify under these circumstances, without an invocation of the constitutional principle set out in the fifth amendment, would subject the witness to the possibility that the Senate might order the issuance of a citation for contempt of the Senate if he refuses to testify.

Mr. BARKER. Is it the position of this committee that if Mr. Stans did not proceed to testify they would seek a citation for contempt against Mr. Stans?

Senator ERVIN. Well, that would be a matter that the committee would have to consider. Since that condition has not arisen, we have not passed on that but I would say that it would be certainly within the prerogative of the committee to recommend to the Senate in the event the witness refused to testify without invoking the fifth amendment, that he be cited by the Senate for contempt of the Senate.

Mr. BARKER. Mr. Chairman, the point I am trying to make, I would like at this point, for the record, our letter to you dated June 4, 1973, concerning Mr. Stans' appearance to be made part of the record at this time.

Senator ERVIN. That will be done.

[The letter referred to was marked exhibit No. 26.*]

Mr. BARKER. And, Mr. Chairman, what I am trying to make is a matter of record, that Mr. Stans is not doing anything voluntarily which would waive his right to test in the proceeding in New York whether he can get a fair trial and whether the indictment should be dismissed on the grounds it is impossible for him to get a fair trial, and I want to be clear that you are ordering him to testify, and that he is not proceeding under circumstances which would waive that right.

* See p. 897.

Senator ERVIN. Well, in the absence of any objection to the contrary from any member of the committee, I would state as chairman of the committee, that you have made it perfectly clear. [Laughter.]

Please refrain from laughing. You made it perfectly clear and Mr. Stans has made perfectly clear to the committee that he is not voluntarily appearing to testify and that any testimony he may give to the committee is given to the committee merely because the committee orders him to give such testimony.

Mr. BARKER. Thank you, Mr. Chairman. I would like to take just a moment to check with Mr. Stans.

Mr. Chairman, Mr. Stans will proceed under those circumstances.

Senator ERVIN. I think there may be some other member of the committee who may want to make some remarks at this time before we proceed further.

Senator Baker.

Senator BAKER. Mr. Chairman, I thank you for the opportunity to make one brief remark which has nothing to do really, with the legal maneuvering which has gone on here. I fully understand the importance of these exchanges. I simply wanted to say on, I believe, on behalf of the committee, certainly on behalf of this Senator, that the committee is not insensitive to the rather delicate position in which Mr. Stans finds himself. We are not insensitive to the whipsaw between the judicial system and the legislative system which would appear on the surface. But I think two or three observations might be appropriate to set the stage and to create the right atmosphere for our going forward at this time. We are not ordering Mr. Stans to testify simply to serve the purposes of this committee's desire to proceed. We are, as a coordinate branch of the Government, proceeding with the mandate given us by the Senate. The case, the *Delaney* case to which counsel referred if my memory serves me, was a case that tested this theory and went out on the question of whether or not the court under these circumstances should delay and continue criminal prosecutions until after the legislative proceedings had been concluded. I do not suggest that the U.S. district court for any district in the State of New York, or that in which this case is pending, should grant a continuance. I rather say—nor do I suggest that you should ask for a continuance. I rather say that there are remedies other than disposing of this witness without his testimony and without suspending the proceedings of this committee in view of the coordinate branch of conflict which is presented.

On the question of fair trial, if for no other reason than human sensibilities, I am concerned for a fair trial for any defendant, especially any defendant charged with any violation of the law in conjunction with the so-called Watergate situation or Presidential campaign activities of 1972. I am very concerned for a fair trial for the Government and for the defendant.

But I suggest, for whatever it is worth, that this committee is in a position to develop the circumstances and involvements, to do it fairly and openly, to do it publicly, to do it as a forum creating an opportunity for the witness to state his side of the case so the potential jurors do not have just rumor, innuendo, inferences, and conclusions on which to base judgment. I suggest there is a far greater likelihood, in my view, that a fair jury, an impartial jury, and a fair trial might be engaged in after this hearing and after everybody has had an opportunity to testify than would have been the case a few months

ago without a public exposition of all the facts and circumstances attendant on Watergate and the involvements described being undertaken by this committee. No one can be certain of this result but I certainly hope for that result because I hope that these committee hearings do not prejudice the right to a fair trial but, in fact enhance the right to a fair trial.

I pledge before you again that I will not inquire into any matter that I or you suggest in good faith might be involved in the trial of the *Vesco* case. I urge you to caution your client in that respect and pledge on my part that no refusal to answer on that legitimate basis will be viewed by the committee or this member of the committee, as a failure of cooperation. I believe, in conclusion, that this legislative committee, this committee of the Senate, a coordinate branch of the Government, can proceed with its mandate as required by the resolution which created it without jeopardizing the fairness of trial for either the Government or the defendant.

It is my fervent hope that we conduct ourselves in that way.

Thank you.

Senator ERVIN. Any further statements?

I would just like to add that I agree with Senator Baker's observation that the chances—there has been so much publicity in the press that the chances for anybody getting a fair trial of anybody involved would rise with the completion of this hearing rather than postponement of this hearing and, as I construe the U.S. Supreme Court decision in the *Hutchinson* case, the committee is acting within the constitutional limits. And I also would like to say this, Mr. Barker, as one who admires legal craftsmanship, I want to commend the excellence and the eloquent manner in which you have undertaken to protect what you conceive to be the rights of the witness.

Mr. BARKER. Thank you, Mr. Chairman.

Senator ERVIN. We might let the other attorneys, if they are there, to identify themselves for the record, and you might do the same, Mr. Barker.

Mr. BARKER. Mr. Chairman, I am Robert W. Barker. I am accompanied by Walter J. Bonner and Leon T. Knauer.

Senator ERVIN. Mr. Stans, would you stand up?

Mr. STANS. Mr. Chairman, I would like to proceed with an opening statement which will take me approximately 20 minutes, perhaps a minute or two over.

Senator ERVIN. I was thinking maybe I would administer the oath and then recess and perhaps it would be better to make your opening statement after the recess.

Mr. STANS. It is quite agreeable either way, Mr. Chairman.

Senator ERVIN. Will you stand and raise your right hand? Do you swear that the evidence that you shall give to the Senate Select Committee on Presidential Campaign Activities shall be the truth, the whole truth, and nothing but the truth, so help you God?

TESTIMONY OF MAURICE H. STANS, ACCOMPANIED BY ROBERT W. BARKER, ATTORNEY

Mr. STANS. I do.

Senator ERVIN. We normally recess until 2 o'clock. At that time we will give you an opportunity to read your entire statement and I would

suggest that you be allowed to read your entire statement without interruption by questions.

Mr. STANS. Thank you.

Senator ERVIN. The committee will stand in recess until 2 o'clock.

[Whereupon, at 11:58 a.m., the hearing was recessed, to reconvene at 2 p.m., this same day.]

AFTERNOON SESSION, TUESDAY, JUNE 12, 1973

Senator ERVIN. The committee will come to order. I presume Senator Baker will be here in a minute.

Since the witness will first read a written statement of which Senator Baker has a copy, we will proceed.

Mr. STANS. Mr. Chairman, and members of the committee, I am very sorry that the circumstances of my appearance made it necessary for my counsel to raise legal points in order to protect my right to a fair trial in New York. I personally would much have preferred to testify without any need to protect myself in that criminal action in which I feel that in the setting of a fair and impartial trial I would be exonerated.

However, I want to assure you now that I will do my very best to be helpful to the committee in my testimony.

Less than 2 years ago, one of the proudest moments of my experience occurred here on the Senate side of the Capitol, as I approached the end of my service as Secretary of Commerce.

Some of you and many of your colleagues on the Senate Commerce Committee were extremely generous in a public hearing in praise of my efforts over a 3-year period as head of the Department of Commerce—and some of the Democratic Senators even wished me success in my new undertaking as fundraiser—but not too much success, they said.

All of those comments remain highly valued to me now, as much as any reward of the many years I spent in public service in two administrations.

I would like my appearance here today to be another service in the public interest. The circumstances that bring us together are extremely regrettable, but I still share a strong mutual concern with you—in this case establishing the facts and the truth of these matters of national interest.

For that reason, as you know, I have cooperated with your staff prior to my appearance here today, just as I intend to do fully with the committee here now. My sense of integrity compels me to do so.

In the past, I have refrained from answering in a piece-meal fashion various questions which have been raised by the media concerning the Presidential campaign and other related matters. For that I have been highly criticized. But I felt that it was better if I could answer these questions before an appropriate forum in the setting and perspective of the overall situation. This would enable me to give a complete picture rather than a piece-meal response, and this is what I hope to do today, to the extent I am able. This may help resolve some questions as to which there has been a minimum of understanding and much erroneous public information.

Next, let me say that I have cooperated fully with every official agency that has sought information from me. I have met twice with

the staff of this committee, once with the staff of the House Banking and Currency committee, have had three meetings with the FBI and at least six with the General Accounting Office, have given a deposition to the assistant U.S. attorney in Washington, and have met with the assistant U.S. attorney in New York and twice testified before a New York grand jury. All of this has been voluntary. I have also testified several times by deposition in civil suits and once in a Florida criminal case.

Also, during all the investigations which have commenced since June 17, 1972, I have instructed all finance committee personnel to cooperate fully and candidly. The reported testimony of Hugh Sloan, Jr., Paul Barrick, Judy Hoback, Evelyn Hyde, and Arden Chambers, is evidence that this is being done. I am convinced that none of these persons had a part in Watergate or the subsequent events. However, as will come out, Mr. Sloan's recollections and mine may differ in a few respects. This is obviously attributable to the passage of time, or the pressures of events at the time, or subjective recall. Just as he has given you his best recollection, I will give you mine, on the various financial matters. On the major issue, that of involvement in the Watergate matter, I am satisfied that he is completely innocent.

Now, it is my understanding that the committee is probing three matters on which it might assume that I have some knowledge—the espionage charges, including the Watergate bugging, and the coverup that allegedly followed; the sabotage charges, including the Segretti operation; and the handling of campaign finances. On these three matters I would like to state this:

(1) I had no knowledge of the Watergate break-in or any other espionage efforts before I read about them in the press, or of the efforts to cover up after the event.

(2) I had no knowledge of any sabotage program to disrupt the campaign by Segretti or anyone else.

(3) To the best of my knowledge, there were no intentional violations of the laws relating to campaign financing by the finance committees for which I had responsibility. Because of the complexity of the new law that became effective in the course of the campaign, and the vast amount of work that had to be done under the new law, there may have been some unintended technical violations by the committee.

What I want particularly to stress in this opening statement is the fact that this committee cannot effectively evaluate the work of the finance committee or my own activities without having in mind four fundamental distinctions:

1. The distinction between the functions and activities of the campaign committee and the functions and activities of the finance committee.

2. The distinction between the election financing law which expired on April 6, 1972, and the new election financing law which was effective on April 7, 1972.

3. Within the finance committee, the distinction between the functions and activities of the chairman and the functions and activities of the treasurer.

4. The activities of the finance committee before I joined it on February 15, 1972, and the activities of that committee after February 15, 1972.

By the campaign committee I mean, of course, the Committee for the Re-Election of the President. By the finance committee I mean the Finance Committee for the Re-Election of the President and its several predecessors up to April 6, 1972, and the Finance Committee to Re-Elect the President beginning April 7, 1972 (together with their associated committees in each time frame).

During the period of my affiliation with the finance committee as its chairman, the treasurer was Hugh Sloan, Jr., until July 15, 1972, and thereafter the treasurer was Paul E. Barrick. I shall refer to the treasurer as though it were the same individual, letting the time period identify which of these persons it relates to.

Now, as between the campaign committee and the finance committee, the campaign committee had all of the responsibility for the planning of the campaign, the development of its strategy and the execution of its tactics. The questions of how many people to employ, the efforts to be expended in each State, the determination of the relative use of direct mail, personal solicitation and media advertising, the kinds of appeals to voters, and the entire gamut of the political effort was developed, organized, managed and conducted by the campaign committee. In effect, their decisions fixed the amount the campaign would cost.

The finance committee had no part in any of these basic decisions. The role of the finance committee was directed toward a single objective—to raise enough money to pay the bills. The finance committee had nothing to say about which bills to incur. Under the arrangements in effect, the finance committee paid any bill or made any payment which bore the approval of an appropriate official of the campaign committee.

The campaign committee was supposed to see that the amounts it OK'd were within the limits of an approved budget. It turned out that the controls did not work as they were intended, and spending overran the budget by more than $8 million, perhaps more likely $10 million.

So, in practical terms, the two committees operated in watertight compartments. They were physically separated on different floors. The campaign committee ran the campaign and created the debts; the finance committee raised the money and paid the bills.

There was only one forum for the exchange of opinions with respect to campaign spending, and that was the budget committee. The budget committee consisted of three officials of the campaign committee and three officials of the finance committee. Formal meetings of the budget committee with recorded minutes did not take place until after Labor Day, 1972. A number of informal meetings on budget matters were held before that, but most of those centered on the overall amount of funding at the National and State levels.

The meetings of the budget committee were not, in my opinion, very effective. Each one was opened by me with a general statement of the current cash position and the expectations of future contributions, which until the last few days of the campaign never equaled the expected spending. I pressed continuously for reductions in overall spending, but the actual trend was constantly upward. At times the meetings became bitter, and I walked out of one meeting at which I thought there was absolutely no understanding of the difficulties of

fundraising on the part of those who were doing the spending. The budget grew to $40 million, then $43 million, and ended up in excess of $48 million and our latest accounting, which is not yet completed, shows it to be in excess of $50 million. Only a late surge of contributions, as a result of the effective organization we had built across the country, made it possible for us to end up with a surplus above that.

Now, as between the old law and the new law, prior to April 7, 1972, the controlling law on candidates for Federal office was the Corrupt Practices Act enacted in 1925. This act made a major distinction between fundraising for a candidate to secure a nomination—through primaries or conventions—and fundraising in a general election. There was no reporting required of any kind on contributions and expenditures to secure a nomination. There was a requirement that contributions and expenditures in a general election be reported to the Clerk of the House.

The Federal Election Campaign Act of 1971, which became effective April 7, 1972, changed that by eliminating entirely the distinction between a campaign for nomination and a campaign for election. It required that all contributions and all expenditures in any political campaign be reported. Although the bill was signed by the President on February 7, it did not become effective until April 7 because the Congress specifically allowed 60 extra days for operation under the old law.

The distinction between election financing and nomination financing had existed for almost 50 years, and countless candidates for the Presidency, the Senate, and the House of Representatives had observed the requirements of the one and the exemption of the other.

In 1972, candidates for such offices in both political parties formed finance committees that did not have to publish or file their transactions prior to April 7, and organized new reporting committees after that date. In the President's campaign, a Finance Committee for the Re-Election of the President had been created solely to raise funds for the renomination, and this committee terminated its activities on April 6; it was not, under the law, required to file reports. A new Finance Committee To Re-Elect the President was created to operate beginning April 7, and it has filed all public reports required by the new law.

We readily acknowledge that our fundraising operated under the old law until April 7, 1972, the Federal Election Campaign Act of 1971; under this law the fact that contributions need not be reported gave the committee and its contributors a right of confidentiality

The issue of confidentiality versus disclosure of such information has never been fairly presented to the public. It has been made to appear that the committee engaged in secret, thereby concealed and suspect, transactions which would not have occurred had they been required to be disclosed. That is not true. The transactions were valid and proper and the question of whether they were to be reported was a question of law that involved important rights of individuals.

The committee's position all along has been that nondisclosure created no advantage to it, but that privacy was a right of the contributor which the committee could not properly waive. The right to live without undue intrusion is a long-respected benefit of the American system. Therefore the committee did not release the names

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of contributors before April 7. It has never objected to any contributor disclosing his contribution. And on one occasion, just before the election, the committee released a list of such contributors—up to March 9, 1972—only after consulting with those making the larger gifts.

Much has also been made of the fact that a few records of the committee before April 7 were destroyed. The fact is that the very large part of such records has been preserved, and the committee believes that the others can be reconstructed if needed. But the important point is that there was no illegall act in throwing away any of these records, and even those that were retained could have been disposed of. Not only was there no statutory requirement that records of transactions before April 7 be preserved; it was not even necessary that any recordings be made at all. At least, that's what our lawyers told us at the time, and that corresponded with what we had been told in the 1968 campaign.

The Finance Committee To Re-Elect the President undertook to observe strictly all the provisions of the new law, beginning April 7, and also urged its State committees to do likewise. Systems and controls were developed to insure that would be the case. Notwithstanding this, there have been a few instances in which the committee has been cited by the General Accounting Office and the Department of Justice for failure to report transactions which occurred after April 7, and in at least one case, the Department of Justice has ruled in favor of the committee. The committee believes that it has valid explanations for this small number of technical violations, and that considering the hundreds of thousands of contributions received and bills paid, its record of operation under a new and highly complex law should be commended rather than criticized.

Now, as to chairman and treasurer. These are the only two statutory offices required of a political committee. As chairman of the committee, I had a personal responsibility for overall coordination of its activities. The principal vehicle in this respect was a daily staff meeting attended by the treasurer, the controller, the general counsel, and several vice chairmen working in Washington.

But without doubt my prime personal responsibility was to raise the money required to finance the campaign, and that occupied almost all of my time and attention. Between February 15 and November 7, 1972, I visited approximately 45 cities in 32 States to meet with fundraising committees, groups of potential contributors, and individual potential contributors. I also met with individuals and groups in Washington and made many hundreds of phone calls to fundraisers and contributors. And this was not a campaign financed by a few large contributors. To insure participation by hundreds of thousands of individuals, I directed a direct-mail program that reached 30 million homes and a group fundraising plan to reach people at their places of employment. These took a great deal of time.

As chairman of the committee I had no responsibility in connection with the internal handling of funds, banking, recording, accounting and reporting. I did not sign checks. I did not expend cash from the treasurer's cash fund. I did not have a cash fund. It was my regular practice when I accepted contributions for the committee to turn them over to the treasurer promptly. I did not have relationships with the banks. I did not make entries in the books or even see the books. And

I did not prepare the public reports and did not review them except to scan their summary pages.

These were all the responsibility of the treasurer. That was not only within the working format of our committee, but was provided under the Federal Election Campaign Act. His was the responsibility for all day-to-day internal operations, and generally I consulted with him only when he came to me for guidance on a specific problem, which was on a limited number of occasions.

Now, as to before pre-February 15 and after February 15. When I joined the committee on February 15, last year, a considerable number of activities were underway and a number of people were in place. Fundraising and campaign activities had been engaged in for almost a year. Programs had been planned or committed by the campaign people, funds had been collected and disbursed, committees had been formed and terminated, and some well-publicized transactions already occurred.

Patterns of payment to Herbert Porter and Gordon Liddy were a practice. Magruder had blanket authority to direct payments. Kalmbach had turned over to the committee the funds in his possession. But no steps had been taken to comply with the new law, and the procedures generally were inadequate to cope with the volume of work sure to come.

When I joined the committee the bank balance was about $3 million, and there was still $30 million or $40 million or more to be raised. I did not review what had happened before but began to work with the problem at hand. I did not learn about many of the earlier transactions until a much later time. For example, from February 15 to April 7, I had 45 working days, counting Saturdays, and 13 days were spent outside Washington. It was not a period in which I could spend time on detail.

I trusted the people already in the committee organization, and I relied heavily on the treasurer because of his previous experience in 1968 and 1971, and even before 1968. I was after contributions.

What I would like to emerge from all of this information are a few simple conclusions:

(1) The finance committee played no part in the strategy or the tactics of the campaign. If they went wrong, it was the fault of the campaign committee. The finance committee's only responsibility was to raise enough money to pay the costs that were incurred by the campaign committee.

(2) The finance committees in existence prior to April 7, 1972, operated under legal advice that their transactions need not be recorded or reported, as a matter of law.

(3) Within the finance committee, the chairman's basic job was to raise the money and the treasurer's basic job was to account for it and disburse it.

(4) The responsibility of raising the largest amount of money ever spent in a political campaign obviously put massive pressures on the finance committee, especially those engaged in fundraising. In my own case, the stress was multiplied manifold by the serious illness of my wife, beginning August 9 and continuing into early 1973.

Gentlemen, I repeat to you that I had no advance knowledge of the Watergate affair and no knowledge of any efforts that may have

been made to cover it up, nor do I know about any other espionage or sabotage activities on the part of the campaign committee. I can also assure the committee that I have made an honest and careful effort to abide by the spirit and intent of the election laws.

Senator BAKER [presiding]. Thank you, Mr. Stans. In the chairman's absence and pursuant to a request by Senator Weicker, if there is no objection, Senator Weicker has a brief statement he would like to make to follow directly after the statement of the witness.

Is there any objection to that?

[No response.]

Senator BAKER. Senator Weicker.

Senator WEICKER. Thank you, Mr. Chairman.

Mr. Chairman and fellow members of my committee, in 1970, I gained the Republican Party's nomination to the U.S. Senate from Connecticut by way of a primary. During the course of that primary campaign, Republicans both within and without Connecticut, properly closed sides as between myself and my opponent. It came to my attention that Mr. Maurice Stans, then Secretary of Commerce, spoke in Connecticut against my nomination and on behalf of my Republican opponent, John Lupton. His action, I know, was not an indication of any official position taken by the White House. But needless to say, it did not endear me to Mr. Stans.

Though I have had no contact with Mr. Stans, and, though actually, I feel a great compassion for him and his family, I do not want it said by any person, or wondered about by Mr. Stans, as to whether my questioning of him would be an act of getting even. Therefore, Mr. Chairman, I will refrain from questioning Mr. Stans now or at any time in the future.

Senator BAKER. Thank you, Senator Weicker.

Mr. Edmisten.

Mr. EDMISTEN. Mr. Stans, is it not true that most of your adult life that you have been in the accounting business one way or another?

Mr. STANS. Yes, that is true of all of my adult life except for 8 or 9 years in Government and 8 in one type of banking or another.

Mr. EDMISTEN. In 1957 you were head of the Bureau of the Budget?

Mr. STANS. That is correct.

Mr. EDMISTEN. In 1952 you were the recipient of the American Accounting Association's annual award, and the Institute of Certified Public Accountants' annual award in 1954, and you were elected to the Accounting Hall of Fame in 1960?

Mr. STANS. That is correct.

Mr. EDMISTEN. So you would consider yourself a pretty good accountant?

Mr. STANS. I would hope that others considered me a pretty good accountant.

Mr. EDMISTEN. What is your occupation now, Mr. Stans?

Mr. STANS. I am in the final phases of winding up the Finance Committee To Re-Elect the President.

Mr. EDMISTEN. In regard to my previous question, I noted that, in looking over some press clippings over the years, regarding you, that it has been suggested that you are a stickler for details and, as one newspaperman said, a model of fiscal conservatism. Would it be fair to characterize you as that? Would you agree to that?

Mr. STANS. Well, I would say they are correct on both points. I am a stickler for detail in my area of responsibility, and I am essentially conservative and I do not believe in spending more money than is necessary for any purpose. That was one of the reasons why I found myself in conflict frequently with the campaign people last year.

Mr. EDMISTEN. Now, prior to February 15, 1972, you were Secretary of Commerce?

Mr. STANS. That is correct.

Mr. EDMISTEN. Tell the committee, please, prior to your coming to the finance committee, what political activities were you engaged in while Secretary of Commerce.

Mr. STANS. You mean with relationship to the——

Mr. EDMISTEN. The upcoming campaign.

Mr. STANS. The upcoming campaign. In 1971, on a few occasions I met with Mr. Sloan, Mr. Nunn, and their accountants for the committee after hours, as I recall it, to discuss the accounting procedures that they were going to use in the 1972 campaign. I had no part in the campaign. I had not committed myself to be in the campaign and I was very strongly of the conviction that I did not want to take on the finance job in 1972 but I did, at their request, sit down with them and discuss some of the accounting procedures that would be helpful to them.

Mr. EDMISTEN. Now, Mr. Stans, I want to ask you if you can identify or know anything about a document I have here. This is purportedly written by Mr. Jeb Magruder, a confidential memorandum for the Attorney General dated July 28, 1971.

Mr. STANS. I have never seen this memorandum before, to the best of my knowledge.

Mr. EDMISTEN. With the indulgence of the committee, I will read it. This is a confidential memorandum to the Attorney General:

> Dick Whitney, who is Secretary Stans' political special assistant, spent some time with me discussing 1972. One idea which he brought up might be useful in other departments.
>
> The Secretary has built up a discretionary fund at Commerce that will total approximately $1 million. He is using this fund for conferences, hiring, and other activities that will be beneficial to the President's reelection.
>
> If you feel it is appropriate, Secretary Stans might discuss this concept with other Cabinet officers to see if they can develop the same kind of fund within their own departments.

Now, down below on there, there is a line for "Approve, disapprove, comment," and this, as I said, was signed by Mr. Jeb Magruder to the Attorney General dated July 28, 1971. What can you tell us about that?

Mr. STANS. I cannot tell you very much about it. I have no idea what the concept was. I think it must have been based on some misunderstanding or other. I had no fund in the Department of Commerce apart from authorized budgeted funds of the Department, and I think either Mr. Magruder or Mr. Whitney would be the ones to have to explain that memorandum.

Mr. EDMISTEN. Well, somebody is $1 million off there in some way, I would take it?

Mr. STANS. Well, if somebody is implying that we had $1 million set aside in the Department of Commerce to help in the election campaign I would say they are off. I do not know what it means.

Mr. EDMISTEN. Mr. Chairman, could we mark this for an exhibit.

Senator ERVIN [presiding]. Mark it for identification. He says he knows nothing about it so I think it would not be competent until you get somebody who does know something about it so just hold it.

[The document referred to was marked exhibit No. 27 for identification only.*]

Mr. EDMISTEN. Mr. Stans, how did you become chairman of the finance committee? Who encouraged you to take that responsibility?

Mr. STANS. A number of people encouraged me to do it. I guess I became chairman by default, and in the absence of another candidate for the job I eventually ended up volunteering to the President early in January 1972.

Mr. EDMISTEN. Now, in your statement you mentioned that there was a good deal of difference between the finance committee and the actual campaign committee. Did you not have anything to do at any time with the campaign committee?

Mr. STANS. I had nothing of any significance to do with the campaign committee at any time except insofar as I sat as a member of the budget committee.

Mr. EDMISTEN. Did you on May 10, 1972, write a memo to the Honorable John N. Mitchell in which you discussed a number of issues regarding the various open budget matters and may I show this memorandum to you?

Mr. STANS. You do not need to, I am very familiar with that memorandum.

Mr. EDMISTEN. Yes.

Mr. STANS. And I certainly did write it. I wrote it under the circumstance I described in my opening statement. I was frustrated, upset at the level of spending that was projected by the campaign people, and I proposed a number of reductions in the budget.

Mr. EDMISTEN. Yes.

Now, you pretty well covered the whole area of the campaign in this memo, did you not? For instance, No. 1 was November Group, No. 2 convention, No. 3 Republican National Committee, No. 4 national campaign budget. You were rather familiar with the operation of the campaign committee if you were able to write this extensive a memo, I would take it?

Mr. STANS. Well, I do not think that is quite the right way to say it. I was not very familiar at all with the operation of the campaign committee. I was only familiar with their objectives as to how much they were going to spend and approximately a dozen categories in which they were going to spend it and I was objecting to the total amount that they were going to spend.

Mr. EDMISTEN. Mr. Chairman, could we have this one marked, it is a memo from Mr. Stans.

Senator IRVIN. Yes, sir, I understand he has identified it, he says he wrote it. Mark it appropriately as an exhibit and receive it as such.

[The document referred to was marked exhibit No. 28.**]

Mr. EDMISTEN. Mr. Stans, what was Gordon Liddy's position in the campaign?

Mr. STANS. Gordon Liddy was general counsel to the campaign committee until around the end of March, and then he became general counsel to the finance committee.

*Officially made part of record on p. 874. Exhibit appears on p. 899.
**See p. 900.

Mr. EDMISTEN. And then during his tenure in the finance committee you relied upon his advice a great deal.

Mr. STANS. I relied upon his legal advice a great deal.

Mr. EDMISTEN. Right.

Did he give you the advice regarding the pre-April 7 contributions and those after? Did you rely upon his legal advice?

Mr. STANS. Yes, as one of the sources of legal advice I did rely on his.

Mr. EDMISTEN. Were you aware that he was receiving cash from Mr. Bart Porter and Mr. Hugh Sloan?

Mr. STANS. Prior to April 7 I was aware that he had received cash on some occasions. I was not aware of the amounts in total or on any one occasion, and I was not aware that the total was anywhere as large as it was. I thought it consisted of relatively small amounts of money. I had heard at one point or another that Mr. Liddy was receiving money for use in the primaries.

Mr. EDMISTEN. That is the only reason that you had knowledge of what was brought to your attention?

Mr. STANS. It was one of the things that was mentioned at one time or another.

Mr. EDMISTEN. I am sure, Mr. Stans, that you are familiar with Mr. Sloan's testimony before this committee that he discussed with you a payment of $83,000 to Mr. Liddy. Now, what is your testimony on that transaction?

Mr. STANS. Somewhere around the 6th of April Mr. Sloan came to me and said that Gordon Liddy wanted a very substantial amount of money. I don't recall the amount he named and last August, which was much closer to the time, I recalled in testifying in a deposition to the Federal district attorney's office that I thought the amount was $30,000 but I recalled that only vaguely. In any event I don't think the amount is very important. Mr. Sloan said, "Liddy wants a substantial amount of money. Should I give it to him?"

And I said, "I don't know. I will find out from John Mitchell." I will quote my conversation with John Mitchell as best I can paraphrase it. It is not precise. But I saw John Mitchell a relatively short time after and said, "Sloan tells me that Gordon Liddy wants a substantial amount of money. What is it all about?"

And John Mitchell's reply was, "I don't know. He will have to ask Magruder because Magruder is in charge of the campaign and he directs the spending."

I said, "Do you mean, John, that if Magruder tells Sloan to pay these amounts or any amounts to Gordon Liddy that he should do so?" and he said, "That is right."

Now, that is my recollection in a paraphrase of the discussion that took place. I went back to Sloan and reported it to him and found out that he had already talked to Magruder and had the same information.

Mr. EDMISTEN. Now, let's go through the transaction that Mr. Sloan testified to here with reference to payment of cash to Mr. Herbert Porter after April 7. Did he have a conversation with you?

Mr. STANS. I would like to go back to the previous answer and add one more point.

Apparently, from the testimony, Mr. Liddy showed Mr. Sloan a budget of $250,000 against which he intended to draw. To the best of

my knowledge, Mr. Sloan did not tell me about that budget and I did not know that Mr. Liddy had authority to draw an amount of money of that size.

Now, with respect to Bart Porter, I think that Mr. Sloan's recollection is somewhat confused, because my understanding of it is somewhat different. I had learned prior to April 7 that Mr. Porter had a cash fund in his safe, that he sometimes received money from one or more sources and used it to pay for certain campaign purposes. I objected to that, because I wanted there to be only one treasurer in the campaign. So there was an understanding which Mr. Sloan has confirmed in his testimony that Mr. Porter would not receive any more money from him. And to the best of my knowledge, he did not receive any money from Mr. Sloan after April 7.

Now, subsequently, some date in August, I asked Mr. Sloan how much money he had given Porter after April 7, and he said none.

More importantly, on September 6, I met with Mr. Sloan's attorney, and the attorney for the committee, to learn some more information about Mr. Sloan's activities after April 7, and Mr. Sloan's attorney told us that after April 7, Sloan had given Porter only $500. Both the committee's attorney, Mr. Parkinson, and I have our notations of that conference. Subsequently, as you know, it was developed that Mr. Porter had received $5,300 from Mr. Sloan and that was cited by the General Accounting Office. Later, it evolved that the amount was $11,000, and I understand Mr. Porter testified last Friday or Thursday that he received $17,000 from Mr. Sloan. So I have no knowledge of those transactions or the use to which they were put, except as I have learned subsequently in testimony.

Mr. EDMISTEN. So we have some conflicting testimony again regarding the transaction.

Mr. STANS. I do not want to be critical, but I believe that Mr. Sloan's memory in that respect is faulty and perhaps confused. He may have discussed with someone else the question of authority to give money to Bart Porter.

Mr. EDMISTEN. Now, Mr. Stans, did you learn of the payment of cash of some $350,000 from the finance committee to Gordon Strachan and when that payment was made?

Mr. STANS. Yes, I learned a little bit more about it, I think, than Mr. Sloan did, because back in February of last year, I heard from someone—I think it was Mr. Kalmbach, but I am not sure—that the White House would like to have some of the 1968 money that he had turned over to our committee, to use for special polling purposes. No amount was mentioned at that time and I have no recollection of any other discussion about this subject until after the $350,000 was given by Mr. Sloan or Mr. Kalmbach to Gordon Strachan. I believe that Mr. Kalmbach takes full responsibility for that transaction. At a later date, I asked Mr. Sloan if the White House had ever gotten the money it wanted, and he said, "Yes, they got $350,000". I do not think that the difference in our recollections is material on this point, because I certainly would not have objected to the item in any event, had I been asked about it beforehand. I did not object to it when I heard about it in February. I think it was a perfectly proper transaction.

Mr. EDMISTEN. Now, Mr. Stans, I do not want to drag this out, but I think the committee does want to know something about all of the allegations that have been made regarding four so-called Mexican

checks, $89,000 drawn on a Mexican bank account. I think it is time for you in your own words to describe what you know about that, what you did about it, and who you discussed the matters about it with.

Mr. STANS. I will be happy to tell you because I do not think the full story has ever been told in one place before. This is my recollection of the sequence of events.

On April 3 of last year, I received a telephone call from Bill Liedtke, who was then our finance chairman in the State of Texas. He said, "I have a U.S. citizen residing in Texas, who is a propsective contributor for $100,000, but he wants to give it in U.S. funds that are now in Mexico. Is this legal?"

I said, "I am quite sure it is, but let me check again and I will call you back."

I checked with our counsel, found out it was perfectly legal for a U.S. citizen to give any foreign funds he wanted, and called back to Liedtke and told him so.

Now, the next thing that I knew about the transaction was after April 22, when I came back from a vacation, and at a meeting I learned from Mr. Sloan that on April 5, Mr. Liedtke's representative, Roy Winchester, had brought to Washington to the committee $100,000 in the form of a contribution from an unnamed person; that it was in the form of checks drawn on American banks by a Mexican bank; that he was not sure how to handle checks of that nature; and that he set them aside. They had clearly arrived before the change in the law on April 7. He set them aside to talk to counsel for the committee and did so the following week.

The committee counsel suggested that they be reconverted into cash, into dollars, and took the checks from Sloan for that purpose.

So when I got back from my vacation, as I said, I found out about the checks, I found out he had given them to counsel, and I found out that the proceeds of the checks had not yet been returned.

At this point, I was of the understanding that the four checks totaled $100,000, and I did not know until I read in Time magazine somewhere along the line there that the four checks totaled only $89,000 and that $11,000 of the $100,000 was in currency.

Now, from here on, I have to quote what Mr. Sloan said, because I had not seen the checks nor did I see the proceeds of the checks come back to him. But according to him, the proceeds of the checks came back to him less a collection fee of $2,500 that was imposed on it, and he held the money and included it in a bank deposit that was made on May 25.

Now, that is my recollection of the transaction. You may have other questions about it.

Mr. EDMISTEN. No, I will leave those for the Senators.

Mr. STANS. I would like to point out, though, that the General Accounting Office has concluded that the funds were properly received before April 7 and that there was no requirement to report them.

Mr. EDMISTEN. Now, what did you have to do with the so-called Dahlberg check? You received checks, did you not, from Mr. Dahlberg?

Mr. STANS. Yes. May I recite the details of that transaction as I understand it?

Mr. EDMISTEN. Yes.

Mr. STANS. Kenneth Dahlberg, as I recollect it, was a member of the early finance committee working in the State of Minnesota and Dwayne Andreas was a Minnesota resident who also had a place of

living in Florida, in a hotel that he owned. As I understand it from Dahlberg, somewhere around as early as January, Andreas said: "I want to help the President's campaign and I will give you $25,000 when you get around to it." He confirmed that to Dahlberg in February.

In March, on the 12th, and this I get from Andreas, he decided to get the money in hand and he decided to make the contribution in cash because he was a close friend of Hubert Humphrey and a contributor to Humphrey's campaign as well as a friend of the President, and he wanted to achieve all the anonymity he could achieve.

On March 12, he instructed his secretary to get together $25,000 of money, which he did, from a tax-paid account, and put it in an envelope to be given to Mr. Dahlberg on the 15th of March at a meeting of a board of directors of a bank of which both Dahlberg and Andreas were directors. Unfortunately, on the 14th, Dahlberg found suddenly that he had to go to Europe to deal with the affairs of an affiliated company there, and he could not attend the meeting. So Andreas continued to hold the money in an envelope.

On the 5th of April, having in mind the change in the law that would take place in the next day or so, Andreas, in Florida, called Dahlberg in Minnesota and said:

> I still have that money. I would like to give it to you before the change in the law; can you pick it up?

And Dahlberg said:

> I cannot get down there before the 7th. I will get down there on the 7th and arrange it to pick it up.

Andreas said:

> Well, I want the contribution to be made now, made effective now. So I will put it in an envelope in your name and put in the safe deposit box in the hotel in your name. You can pick it up whenever you are ready, but I want the understanding between you and me that title has passed and it is your money and you accept it as of today.

Dahlberg said, "I do," and called me and relayed the transaction, and I advised him on the basis of legal advice that I had already received that a commitment of that nature was properly a contribution before April 7 and when received would not have to be reported.

On April 7, Dahlberg went to the hotel in Florida, but arrived too late to pick up the money because the safe deposit box had been closed. He talked to Andreas on the 8th and arranged for the two to get together on the 9th, and at Dahlberg's request, Andreas took the money out of the safe deposit box and delivered it to Dahlberg on the 9th.

On the 10th, Dahlberg bought a cashier's check for that because he did not want to carry that amount of money around with him from Florida to Washington, where he was due on the 11th for a meeting of all of our State finance people on our committee.

On the 11th, at an intermission in the meeting, Dahlberg endorsed the check and handed it to me, with the explanation that, "This is the money from Andreas." And I had a full accounting of the sequence of the transaction up to that date.

I thereupon, the same day, as quickly as possible, gave the check to the treasurer, explained to him the background that this was money that had been contributed before the 7th, and asked him to determine the accounting handling of the check.

The treasurer, not being sure, discussed it with the general counsel for the committee and the general counsel suggested that he take the check and convert it into cash. The treasurer gave him the check.

Now, again, I can report what the treasurer has said, that he did not get the proceeds of the check back until some time in May. He received them in full and they were deposited in a bank account on May 25.

Now, as to those two transactions and several others in a similar category, we treated that as cash on hand on April 7 and reported it in the report of the media Committee To Re-Elect the President, in the amount of $350,000, and that exact amount of $350,000 was deposited in that committee's bank account on May 25. We felt that we had complied with every requirement of the law as to the handling and reporting of that money; we had accounted for it fully.

The General Accounting Office subsequently cited our committee for a possible violation of the law in failing to report the $25,000. But the Department of Justice, in a letter some months later, concluded that there was no violation of the law in the handling of that transaction.

Mr. EDMISTEN. Mr. Stans, when was the first time that you learned that these checks had cleared through a bank account of Bernard Barker?

Mr. STANS. It was well after the Watergate event of June 17.

Mr. EDMISTEN. Now, shortly after that, did you have any discussions with Mr. John Mitchell or anyone at the White House concerning any of these checks during the week immediately following?

Mr. STANS. I don't recall any specific conversation with John Mitchell, but I do recall a conversation with Fred LaRue and subsequently with Robert Mardian.

Mr. EDMISTEN. What did you talk about?

Mr. STANS. As I recall it, it was the morning of the 23d of June, which was 6 days after the Watergate affair. I received a phone call from Fred LaRue, saying, "Do you know Kenneth Dahlberg?"

And I said, "I certainly do."

He said, "Well, his contribution ended up in a bank account of one of the fellows who was arrested."

I said, "Dahlberg didn't make a contribution."

He said, "Well, it is his check."

So he came down and we discussed it and concluded that, in some manner or other, Dahlberg's check must have reached the bank account of Bernard Barker.

We called Dahlberg and discussed it with him, got him to Washington on that same day, met with him, and he met with LaRue and I think with Mardian, and got all the facts of the transaction in hand. It was clear that neither Dahlberg nor I nor Hugh Sloan had anything to do with the checks, that check or the Mexican checks, entering the Barker bank account. They could only have gotten there through the hands of our general counsel, Gordon Liddy, who had taken them into his custody.

Mr. EDMISTEN. Mr. Stans, I am going to skip along, I don't want to encroach on the committee. At one time did you approve or consent to giving Mr. Fred LaRue $80,000?

Mr. STANS. Yes, I did. Would you like to know the background of that?

Mr. EDMISTEN. Yes. When was that?

Mr. STANS. The same day of June 23, Mr. Sloan had balanced out his cash account, something which I had asked him to do as early as April 10 but which he couldn't do because he was waiting for the return of the proceeds of the various checks we were discussing. He showed a balance of $81,000 of cash on hand and expressed some concern about it because he was going on vacation and under the tense situation that was building up he didn't want to hold the cash in his custody. We discussed it and concluded that the funds were of a nature which did not classify them as funds of the current committees, that they were more properly funds of earlier committees, that they were not part of what we had to account for in an audit by the General Accounting Office, and that we should get legal advice.

At that time it was understood within the committee that Robert Mardian had been brought to Washington to work on legal matters that were current at the time, and I went to him for advice. His advice, after he learned the description of the money, was to get the money out of the office and out of the campaign and he suggested that I give it to Fred LaRue. Fred LaRue was the right-hand man of John Mitchell, assistant to Mitchell as campaign director. On that advice I gave the money, my half of the money to LaRue and Sloan later gave his half of the money to LaRue. I neglected to say that when Sloan expressed concern about having that much money in his custody, I agreed to divide it with him so that there would only be about $40,000 in each parcel, and I took one and put it in my desk and he took one parcel and took it home. I gave mine to LaRue rather promptly, at the first opportunity. Sloan went on vacation to Bermuda for about 10 days, and gave his money to LaRue upon his return.

Now, there is some uncertainty as to whether that money passed through Mardian's hands in each case. I can't recall whether I gave the $40,000 that I had directly to LaRue or gave it to Mardian to give to LaRue. Sloan did give his $40,000 to Mardian and Mardian gave it to LaRue.

Mr. EDMISTEN. Do you know what happened to that money in the end?

Mr. STANS. I do not know specifically what happened to that money. Subsequently I received some funds for several purposes from Fred LaRue. Whether it was part of the same money or other money, I have no way of knowing, and only he could tell.

Mr. EDMISTEN. Now, Mr. Stans, in late June or early July did you receive a call from Mr. Herbert Kalmbach requesting money from you?

Mr. STANS. On the 29th of June I received an urgent call from Mr. Kalmbach. He said he was in Washington at the Statler-Hilton Hotel, that it was extremely vital that he see me right away, and he wanted me to come over there, and I did. I dropped everything and went over there to see him. He said, "I am here on a special mission on a White House project and I need all the cash I can get."

I said, "I don't have any cash to give to you. Will you take a check?"

He said, "No, I can't take a check, it must be in cash, and this has nothing to do with the campaign. But I am asking for it on high authority."

Mr. EDMISTEN. What high authority did he say?

Mr. STANS. He did not say. "I am asking for it on high authority and you will have to trust me that I have cleared it properly."

As I said, I had no cash belonging to the committee at that time because we had closed it all out but I did have two parcels of money that were available, and I gave those to Mr. Kalmbach. They added up to $75,000 of funds outside the committee.

Mr. EDMISTEN. Now, Mr. Stans, did you not ask him why he wanted this money?

Mr. STANS. Yes, I did.

Mr. EDMISTEN. What did he say?

Mr. STANS. He said, "This is for a White House project and that I have been asked to take care of and I cannot tell you. You will have to trust me."

Mr. EDMISTEN. Would Mr. Kalmbach have been your superior in this organization, campaign organization?

Mr. STANS. No, Mr. Kalmbach was a man I knew very well. He had been my principal deputy in the 1968 fundraising campaign for Richard Nixon. He subsequently had close affiliation with a number of people in the White House that I was aware of.

He was personal counsel to the President. He was a man that I knew was a man of highest integrity, trustworthiness and honesty, and I had no question to doubt, no reason to doubt, anything he told me and I didn't.

Mr. EDMISTEN. Who in the whole organization would you consider your superiors, and would you just go up the line from you?

Mr. STANS. Well, I do not know that I had any superiors. It was a unique situation. The finance committee was separate from the campaign committee. The campaign committee exercised a dominance over the finance committee by their spending policies, forcing us to raise enough money to pay everything they committed. But I had no superior. I would have taken instructions from the President if he gave me any but he did not, and I would have been influenced by requests from certain people in the White House from time to time but I do not believe I had a superior in that sense.

Mr. EDMISTEN. Well, now, I just have one more question here. I want you to think carefully, Mr. Stans: Did you have a meeting on June 24, after the break-in, with Mr. John Mitchell to find out from him what had happened?

Mr. STANS. I am not sure of the exact date. I had meetings from time to time with Mr. Mitchell. I probably had one on June 24.

Mr. EDMISTEN. Did you ask him what happened at that meeting, if you recall it?

Mr. STANS. I do not recall that I asked him that question. Certainly I was curious about it, and it would not surprise me if I had. I have no recollection of specifically talking about that subject. That was a week after the break-in.

Mr. EDMISTEN. Yes. Do you recall at any time Mr. Mitchell telling you that there were others involved besides those who were apprehended?

Mr. STANS. No, I do not.

Mr. EDMISTEN. At a meeting of that nature about that time?

Mr. STANS. No, I do not.

Mr. EDMISTEN. Thank you, Mr. Chairman.

Senator ERVIN. Mr. Sanders.

Mr. SANDERS. Mr. Stans, this committee has received testimony from several witnesses and from you today concerning the Budget Committee of the Finance Committee To Re-Elect the President; that is, that it was composed of three members from the finance committee and three members from the Committee To Re-Elect the President and I would like to take just a few minutes to explore some aspects of that committee with you.

To begin with, it's been asked of you who your superiors were. No mention in your answer was made of Mr. Mitchell. Did you consider in any way that you had any line responsibility to him, you being chairman of the finance committee and him as chairman of the Committee To Re-Elect the President?

Mr. STANS. No, I did not really consider that I was subordinate to Mr. Mitchell. We were separate committees, each performing our mission, and we communicated from time to time and our principal means of discussion about what we had to do to accomplish our mission was in the budget committee meetings.

Mr. SANDERS. Who designated you to be a member of the budget committee?

Mr. STANS. Mr. Mitchell and I worked that out jointly, that there would be three members from each committee.

Mr. SANDERS. The budget committee then was not in being at the time you became chairman of the finance committee?

Mr. STANS. No, sir, and Mr. Mitchell was not there, either, at that time.

Mr. SANDERS. When did the budget committee actually begin to function? Do you recall?

Mr. STANS. I do not recall precisely but I think our first meetings were in April. They were irregular, they were not on schedule, they were meetings as material came to hand or questions arose, and in those days we were trying first to get an overall budget put together on which we could agree, and secondly, we were trying to get budgets from each of the 50 States as to how much would be spent in each State.

Mr. SANDERS. Would you please state the membership of the budget committee at the time it was constituted?

Mr. STANS. There was John Mitchell, Jeb Magruder and, I believe, Bart Porter on the campaign committee side. There was myself, Hugh Sloan, Jr., and Lee Nunn on the finance committee side. But in addition to the three from each side, meetings were attended by two or three other people from each committee so they were a little larger than six-man meetings.

Mr. SANDERS. Did you customarily chair the budget committee meetings?

Mr. STANS. No, we were cochairmen but I deferred generally to Mr. Mitchell and I think he chaired more often than I did.

Mr. SANDERS. Who prepared the agenda for the meetings, or were they less formal than that?

Mr. STANS. Well, for the first number of months they were very informal, there were no agendas. We began to have agendas after the convention when we began to deal with the very large amounts of money currently being spent.

Mr. SANDERS. To your knowledge, did the budget committee ever give consideration to the collection of cash contributions and retention of that in a repository within the premises of the finance committee?

Mr. STANS. The budget committee did not deal with contributions. The budget committee dealt exclusively with the expenditures of the campaign. Specifically it did not separately deal with cash transactions.

Mr. SANDERS. Realizing that the budget committee may not have considered the receipt of cash contributions, nevertheless, did it ever consider the potential use of cash as opposed to the use of funds in bank accounts?

Mr. STANS. No, there was no distinction between cash and bank accounts in any discussions in the budget committee.

Mr. SANDERS. Now, there were large sums of money, we have been hearing, expended for Mr. Liddy, Mr. Porter, and some others. To your knowledge, and I presume you either attended all of the budget committee meetings or were informed what had transpired there if you were not able to attend, to your knowledge, did the budget committee ever take under consideration the allocation of any cash funds to Mr. Liddy or to Mr. Porter?

Mr. STANS. No. The budget committee did not specifically deal with any allocation of cash funds to any individual, Porter, Liddy, or anyone else.

Mr. SANDERS. To your knowledge, did the budget committee ever take under consideration the allocation of funds to be expended for any intelligence-gathering operation?

Mr. STANS. I do not recall ever hearing any discussion of intelligence-gathering in the budget committee meetings.

Mr. SANDERS. Prior to June 17, Mr. Stans, were you aware that an intelligence-gathering operation was underway?

Mr. STANS. No, I was not. I do not recall hearing any discussion of such an activity.

Mr. SANDERS. In fairness, Mr. Stans, let me cite to you what I am getting at here. In the Patrick Gray confirmation hearings I have before me, in the transcript of those hearings at page 143, it is stated by Mr. Gray that he had checked his records concerning FBI interviews with you. He says that you were interviewed four times by the FBI and that on the last date, which would have been July 28, you stated to this effect; I presume he is paraphrasing you here, he says this:

"Stans became aware from general conversations that Liddy was assigned a 'security-gathering' job and that certain cash disbursements would have to be made available to Liddy."

Mr. STANS. Well, I think we are talking about semantics here and I would like to correct the impression right away. I was told somewhere in May, I believe by Magruder, that Liddy had a responsibility for security at the San Diego convention.

Now, how he was going about on security I had no way of knowing and it may well have included intelligence-gathering of various types.

Mr. SANDERS. Do you have any recollection of making any statement to the FBI that you were aware that Liddy was engaged in intelligence gathering?

Mr. STANS. I do not recall using that word at all. I do recall testifying before the grand jury, I believe, that sometime before June 17, I had learned from Magruder, I believe, that Liddy was working on security for the San Diego convention.

Mr. SANDERS. It seems that the line of questioning has developed that one of the problems perhaps with the campaign was too much cash on hand and available for some perhaps questionable purposes. The question naturally arises that as chairman of the finance committee, is it reasonable that you did not become aware of the expenditures of such large sums of money and could these sums have been allocated without consideration by the budget committee? How does this happen? How can this possibly come about?

Mr. STANS. Well, again, I think you would have to break down your consideration of that question to the period before April 7 and after, beginning April 7. Before April 7, there were amounts of money received by the committee in cash going back to long before I became finance chairman. After April there were practically none—there were one or two transactions which were never completed in the way of contributions in cash and there were a few contributions in cash which were deposited and fully reported. But most of the cash, a very high proportion of it, was received, handled and disbursed before April 7 and, therefore, operated under the old law.

Mr. SANDERS. I fully understand that many donors may have wished to make cash contributions for purposes of anonymity. Aside from the cash contributions that have been covered by Mr. Edmisten—that is, the Dahlberg and Mexican checks, and we are remaining away from the Vesco matter—did you specifically, in your search for contributions, seek any cash donations?

Mr. STANS. Let me first put the cash question into perspective. Out of all of the money raised during the campaign, only about 3 percent was in cash. Out of all the money spent during the campaign, only about 2 percent was in cash, or less. So that we were not running a bank in which people were running in every day by the hour handing us cash and we were disbursing cash.

We did have some from people who wanted that extra degree of anonymity. And for those who tendered us cash, we accepted it and properly so, because the law, as I read it and as counsel advises me, said we may accept money or anything of value. So we received money in the form of checks, we accepted money in the form of cash, and we accepted contributions in other forms that we could convert into cash.

Mr. SANDERS. To your knowledge, was there any cash goal during the campaign?

Mr. STANS. A goal to be received in cash?

Mr. SANDERS. Yes, sir.

Mr. STANS. I never heard of one.

Mr. SANDERS. At or about the time you became chairman of the finance committee, did you have some contact with Mr. Kalmbach, Herbert Kalmbach, concerning the transition—that is, the turnover to you of the funds he had on hand—and receive an accounting for this?

Mr. STANS. Yes. That happened before I became chairman of the finance committee but after the time I had agreed to take on the job. Mr. Kalmbach had money in his possession, some of which he had carried over from 1968 and some of which he had accumulated subsequently. It was a substantial amount of money and I had tried to have the understanding in 1968 and I wanted the understanding in 1972 again, that there would not be separate cash funds in operation outside of the hands of the treasurer. Mr. Kalmbach was totally in

agreement with that and we had an understanding that he would turn in all the funds in his possession—not only before I became chairman, but before the law was signed by the President. And I am told by him and by Mr. Sloan that on February 3, Mr. Kalmbach turned over to the finance committee all the money that he then had, cash and in bank accounts.

Mr. SANDERS. Do you have a recollection of meeting with Mr. Kalmbach prior to that February 3 date and receiving from him personally some accounting of the funds he had on hand?

Mr. STANS. Yes, I remember that. Mr. Kalmbach and I met and talked about the very subject we are talking about. Kalmbach gave me a statement showing how much money he still held in bank accounts and in safe deposit boxes.

Mr. SANDERS. Do you recall the date, Mr. Stans?

Mr. STANS. I think it was January 24. The date is on the statement and I believe you have a copy and I have a copy.

Mr. SANDERS. Mr. Chairman, I have a document here which I would like to have marked for identification and shown to Mr. Stans.

Senator BAKER [presiding]. The document will be marked for identification and shown to the witness.

[The document referred to was marked exhibit No. 29 for identification only and is not for publication at this time.]

Senator BAKER. Mr. Stans, before you proceed any further, we have just received a vote signal. It is now 3:30 and if you are agreeable to returning, we will take about a 10-minute break while we go vote and come back and continue with your questioning.

Mr. STANS. I will stay, Mr. Chairman.

[Recess.]

Senator ERVIN. The committee will come to order.

Mr. Sanders.

Mr. SANDERS. Mr. Stans, the exhibit just handed you has been marked for identification and we are going to defer that. I would like you to review it again and we will take that matter up at such time as you return for further testimony before the committee.

I want to ask you a few more questions about Gordon Liddy's assumption of the job as counsel for the finance committee. At the time that occurred, were you aware of any conflict that he had been having with Magruder?

Mr. STANS. No, I wasn't. I didn't learn about that until quite recently. It is a very interesting development, because I am not quite sure why Mr. Magruder was so generous in giving me Mr. Liddy's services.

But on the other hand, I think Mr. Liddy did a good job as counsel. Whatever else he did or may have done was something else, but as counsel he did an effective job.

Mr. SANDERS. Did it ever appear to you that he was perhaps not devoting full time to his responsibilities as legal counsel for the finance committee?

Mr. STANS. Not that I observed. Mr. Liddy was one of those who attended the daily staff meetings and his attendance was quite regular. I recall only once or twice when he said he had some mission to do outside of Washington and asked if he could have a day off. That was not particularly unusual.

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I gave him responsibilities that required daily followup and he did the followup that was required. For example, just before April 7, it was necessary for every committee to file with the General Accounting Office a registration statement and to file a qualifying statement with the Treasury Department. That included not only our committees in Washington, but each of the 51 States. Mr. Liddy had that responsibility and he gave me regular reports on what was happening and which one was in default and which one wasn't. And I thought he administered it well.

Mr. SANDERS. I believe you did say earlier that you did have some awareness that he had some responsibilities with regard to the San Diego convention?

Mr. STANS. This is something that, as I have said, I picked up quite casually, and as I recall it, late in May. And I am not quite sure, but I think it came from Magruder, but it may have come from some other source.

Mr. SANDERS. You would judge that that was not specifically within the scope of responsibilities as legal counsel for the finance committee?

Mr. STANS. No, it was not. But apparently, when Mr. Liddy came to the finance committee from the campaign committee, there was an understanding that he had or Magruder had with Sloan that he was going to give something like 96 or 98 percent of his time to the finance committee, but he had a few things still to look after for the campaign committee. I don't think I was aware of that at the time, but I heard about it somewhere along the line.

Mr. SANDERS. At the time of Mr. Liddy's termination, were you consulted by Mr. Mardian?

Mr. STANS. Yes. I believe the date was June 28 of last year. Mr. Mardian called me to his office and handed me a memorandum to read. It was to the effect that Mr. Liddy had failed to cooperate with the FBI, had not answered their questions, and Mr. Mardian recommended to me that he be discharged and asked for my approval. I put my approval right on the form and Mr. Mardian undertook to call Liddy in and tell him that his services were no longer required.

Mr. SANDERS. At that point, were you aware of any facts which indicated involvement by Mr. Liddy in the Watergate, in the illegal entry of the Democratic National Committee?

Mr. STANS. I was not.

Mr. SANDERS. Did you at any time have a conversation with Mr. Liddy concerning Segretti?

Mr. STANS. I don't recall ever discussing Segretti's name with anyone until I read it in the newspapers some months ago. I do not know Donald Segretti and never discussed him with anyone.

Mr. SANDERS. Mr. Stans, did you have any awareness of an effort on the part of Mr. Magruder to induce Mr. Sloan to falsify testimony?

Mr. STANS. Not until Mr. Sloan told me about it, and I don't recall how soon it was after it happened. I think it was a matter of some days after it had happened.

Mr. Magruder had come to me and asked me how much money Sloan had given to Liddy and I said I really did not know, that he should talk to Sloan about it. And that is about the substance of the discussion I had with Magruder. I do not recall whether he named

any amounts or not, but he was probing to find out and I could not help him on it.

Mr. SANDERS. Did you make any mention to him of any options he would have at such time as he had to make a choice, at such time as he would be required to testify?

Mr. STANS. Are you referring now to Magruder or Sloan?

Mr. SANDERS. Sloan.

Mr. STANS. I do not recall that I did. I think when Sloan told me that Magruder had asked him to testify to other amounts than he had given him, my reply to Sloan was to tell the truth. That is the only advice I gave him.

Mr. SANDERS. Do you recall any discussion with him concerning the use of the fifth amendment?

Mr. STANS. No, I do not recall any discussion about that.

Mr. SANDERS. I just have one more question, Mr. Stans. Did you at any time seek from Mr. Parkinson or Mr. O'Brien in their capacities as attorneys for the Committee To Re-Elect the President—and I must add the Finance Committee To Re-Elect the President—did you at any time seek from them any status of their work, any report of their work or an explanation of the facts that they were developing?

Mr. STANS. Well, I do not know that I ever asked for a report, but I was in fairly regular communication with them on a great many things. Most of my conversations with them were with regard to the litigation in which we were involved on a number of fronts.

Mr. SANDERS. All right. Let me confine my question to the criminal aspects of their representation of the committee—that is, the grand jury testimony that was being required. I am not inquiring into the civil action.

Mr. BARKER. Mr. Sanders, might I observe for the record that Mr. Parkinson was Mr. Stans' personal counsel as well as committee counsel, and of course, you are inquiring into the area of attorney-client privileges.

Mr. SANDERS. All right.

Well, Mr. Stans, I will defer my question at this time and relinquish any further time, Mr. Chairman.

Senator ERVIN. Senator Montoya.

Senator MONTOYA. Thank you, Mr. Chairman.

Mr. Stans, going back to the time prior to April 7, you indicated, I believe, that total cash on hand was approximately $1.5 million, is that correct?

Mr. STANS. I did not mean to say that, Senator. The total cash received during the entire period of the campaign, I believe, including the cash turned over by Mr. Kalmbach was about $1,700,000. There never was that much on hand at any one time.

Senator MONTOYA. Then, are you including in this amount the sum which was turned over from the 1968 Presidential election?

Mr. STANS. I am including in that figure the amount which was turned over from the 1968 election to the extent that it was in cash.

Senator MONTOYA. How much of it was in cash?

Mr. STANS. About $233,000.

Senator MONTOYA. And the other amount or balance of the $680,000 was comingled with the 1972 election fund?

Mr. STANS. Yes. There was $680,000 received in the form of checks from accounts under Mr. Kalmbach's control that came into the com-

mittee on February 3 of last year from 1968 money principally, that became part of the funds of the committee to use from them on.

Senator MONTOYA. Then after April 7, what money came to the committee in cash?

Mr. STANS. There were three or four items that I am aware of. One was an item of $10,000 from a Mr. and Mrs. Saunders in Mississippi that came to the committee but without adequate instructions as to how it should be handled and to which committees it should be disbributed to, and that matter was not cleared up by the time the $81,000 was given to Mr. LaRue so it was included in that $81,000 with a request to Mr. LaRue that he give it back unless the parties were willing to allow it to be spread among committees in their name. Mr. LaRue has confirmed by letter through his attorney that he gave that $10,000 back. That is the first cash item.

There was a receipt of $3,000 from two men in Omaha that Mr. Sloan received after April 7 and before June 23 that I was not aware of until the $81,000 were turned over to Mr. LaRue. At that time I asked Mr. LaRue to handle that also and either get clearance from the contributors to deposit that money or return it to them. Mr. LaRue told me sometime later that he had not been able to do it with the result that the $3,000 was not returned to them, and in order to clear the matter we ran down the names of the contributors and reported them in our report that was filed last Saturday. That is the second item of money received.

There was a third contribution in cash of $50,000 received from a Lehigh Valley farmer's cooperative through its attorney in Washington that was received by the treasurer after April 7 and before June 23. I was not aware of the details of that transaction and did not learn about it until October. We have since been able to identify the source of the money and it has also been reported in our last report to the General Accounting Office. Those are three transactions. There were some other miscellaneous cash items received from contributors that I do not recall, whose names were reported and the money was put in the bank just as though it was by check so that it has no distinction.

Senator MONTOYA. Did you receive many contributions over and above $10,000 in cash?

Mr. STANS. Before I answer that, could I complete my other answer, because there was one other transaction?

Senator MONTOYA. Yes.

Mr. STANS. There was a total of $39,000 in cash received in two transactions representing funds raised by former Gov. Tim Babcock of Montana. We did not get the names of the contributors until recently, and that money has now been reported to the General Accounting Office in our last report.

Now, as to your last question, did we receive many contributions of $10,000, in excess of $10,000 in cash? I would have to guess, Senator, as I do not have any list in front of me. I would guess that we probably received 30, possibly 35 contributions of $10,000 or more in cash.

Senator MONTOYA. Let us go into the $20,000 contributions in cash. How many would you say you received in that category?

Mr. STANS. $20,000? Well, you are testing my memory now and I am not quite sure. I would say that perhaps five less than the number I gave you before that were in $10,000 amounts. So that the balance of 25 to 30 would have been $20,000 or more.

Senator MONTOYA. Let us go into the $50,000 bracket. How many of those did you receive?

Mr. STANS. Well, I have to do a considerable amount of guessing here, I would say about 10, maybe 12.

Senator MONTOYA. Of course, what I am trying to elicit from you, Mr. Stans, it has nothing to do with the trial in New York, I want you to understand that.

Mr. STANS. I understand that.

Mr. BARKER. Senator Montoya, any answers Mr. Stans would make he will eliminate any references to that. Is that understood?

Senator MONTOYA. Yes, I want him to. Let——

Mr. STANS. Then, you have to reduce each amount I gave you by one. [Laughter.]

Senator MONTOYA. Let us go into the cash disbursements, Mr. Stans. I believe you mentioned that before April 7 that you authorized or tacitly approved a disbursement of $350,000 to Mr. Kalmbach.

Mr. STANS. May I correct that slightly? I had knowledge of it after it happened. I raised no objection to it, but I do not recall ever approving it as such. And the payment was not made to Mr. Kalmbach. It was made by Mr. Sloan at the direction of Mr. Kalmbach to Gordon Strachan of the White House staff.

Senator MONTOYA. Did Mr. Sloan contact you about this contribution before he distributed the same?

Mr. STANS. That is where my recollection differs from his. My recollection is that I learned about it from Mr. Sloan after it was distributed but I really do not think that is material.

Senator MONTOYA. What about the $75,000 contribution to Mr. Kalmbach about which he called you from the Statler-Hilton Hotel. Did you approve this?

Mr. STANS. Well, I gave him the money, as I said, from sources outside the committee, and relying on his good faith and on his assurances to me that it was an important transaction and that he had cleared it with high authorities and he was doing it at their request.

Senator MONTOYA. You knew of course that Mr. Kalmbach was a man of very high influence in the White House, did you not?

Mr. STANS. Yes, I did.

Senator MONTOYA. You knew he had a good line of communication with those in the upper echelons in the White House?

Mr. STANS. No question about it, Senator.

Senator MONTOYA. When he mentioned that this request was coming from very high authority, what did go through your mind as to who that person might be?

Mr. STANS. Well, I knew the people with whom Mr. Kalmbach had very close association and contact. I did not try to identify anyone as the party to that transaction. I did learn about 6 weeks ago from Mr. Kalmbach and his attorney who it was.

Senator MONTOYA. Who was it?

Mr. STANS. He told me the request to raise the money came from John Dean. That he asked Mr. Dean whether it was a legal transaction and Dean assured him it was. But being unwilling to proceed solely on that basis he went to Mr. Erhlichman and asked Mr. Ehrlichman if it was something that should be done and whether it was legal and

that Mr. Ehrlichman told him it was. Now that is hearsay but I got that, as I said, about 6 or 8 weeks ago from Mr. Kalmbach and his attorney.

Senator MONTOYA. Did not Mr. Kalmbach tell you that this was not going to be used for the campaign, that it was going to be used for other purposes?

Mr. STANS. Yes, he did.

Senator MONTOYA. Did that arouse your curiosity?

Mr. STANS. No; not in the relationship that I had with Mr. Kalmbach, and that he had with the White House. Don't forget that Mr. Kalmbach had been entrusted with a very large sum of money that he had left over from the 1968 campaign, he had worked with the White House people in the handling of that sum of money, and I believed Mr. Kalmbach when he said it was important but he could not tell me what it was about, and I trusted him and I still do.

Senator MONTOYA. Wasn't it your understanding, Mr. Stans, that when you were collecting this money from contributors that the money would be used strictly for political purposes?

Mr. STANS. Oh, Senator, I think I have already said that the money I gave to Kalmbach was not money that had come as contributions.

Senator MONTOYA. What money did you give him?

Mr. STANS. Well, I will be glad to tell you.

Senator MONTOYA. I believe you stated that $40,000 of that was from your safe and I believe you have stated before through other sources that $35,000 came from contributions made by a foreign national.

Mr. STANS. Let me recite that very carefully so that I can correct the amounts as well; $45,000 of the money I gave to Mr. Kalmbach was money that I had received from him just about the time I became finance chairman to use for expenses in the campaign, not for ordinary expenses, but for unusual expenses that I might incur, such as using jet transportation by charter if I needed to get around the country quickly, or to pay for a vacation because at that point I was working without compensation.

Mr. Kalmbach gave me $50,000 to use for that kind of expense. But as I got into the campaign I decided I was not going to incur much of that type of expense, I didn't need the money, and I was submitting regular expense accounts for all the amounts I incurred on behalf of the committee. So I had $45,000 of that still in my safe deposit box, and when Mr. Kalmbach said he had this urgent need for money for a very high purpose on behalf of the White House, I went to the safe deposit box and got that money and gave it to him. That was not money belonging to the finance committee.

Senator MONTOYA. Did you ever indicate to him that it was his own money that you were giving back?

Mr. STANS. Well, it really wasn't his own money. It was money entrusted to him but, I am not sure whether I told him that at that time. I think I did but he knows it now. [Laughter.]

Senator MONTOYA. Why would he use the plea that this request was coming from high authority in the White House if he was reclaiming his own money?

Mr. STANS. Well, he wasn't reclaiming, Senator, he was not reclaiming his own money. It happened that that was about the only money that I could put my hands on to help him meet the needs that he had

expressed, and I was willing to give it up because I wasn't going to use it for the purpose for which I had originally received it.

Senator MONTOYA. Let us go into the $30,000; where did you get that?

Mr. STANS. On the same day a Philippine national had been in my office and said he was an acquaintance of the President.

Senator MONTOYA. Who was it?

Mr. STANS. I can refer to a paper and give you his name. The Honorable Ernesto V. Lagdameo. He is a Philippine businessman.

Senator MONTOYA. What does he do? Does he deal in sugar?

Mr. STANS. Well, it does not sound like it from the name of the company. He is chairman of the board of Sanitary Wares Manufacturing Corp.—Wares (W-a-r-e-s). I take it to be a plumbing supply firm or something of that type.

Senator MONTOYA. Quite ironical, wouldn't you say? [Laughter.]

Mr. STANS. I think Mr. Lagdameo is a very innocent party here. He came in to see me, said that he was an acquaintance of the President, and was prepared on behalf of himself and some of his friends to make a contribution to the campaign if it could be legally received.

Senator MONTOYA. And what about the other friends? Who were they, the other Filipino friends?

Mr. STANS. They were two of his associates in the same company.

Senator MONTOYA. Do you have their names?

Mr. STANS. I have them here. Mr. Jesus Cobarrus, Sr.—J-e-s-u-s C-o-b-a-r-r-u-s, Sr.—who is with the same company; and Mr.—I can't pronounce Spanish as well as you can, Senator—Eugenio——

Senator MONTOYA. Eugenio?

Mr. STANS. Eugenio Lopez, Jr.

Senator MONTOYA. All right.

Mr. STANS. There was at that time considerable doubt as to whether we could receive contributions from foreign nationals. Back in the 1968 campaign, we had opinions of counsel that it was perfectly proper to receive a contribution from a foreign citizen and we did receive some contributions of that nature in 1968. In 1972, early in the campaign, we also received a few, and then questions began to arise as to the interpretation of the Corrupt Practices Act and whether or not we could receive items of that kind. So when this money was offered to me, I took it contingent upon determining that we would accept it. And I got an opinion of counsel shortly after, the counsel for the committee who succeeded Mr. Liddy, expressing the opinion that we could not accept money from a foreign national. So I arranged with Mr. Fred LaRue to give $30,000 back to Mr. Lagdameo and his associates.

Since then, and this is more irony, Senator, I have learned that the Department of Justice has held that it would have been perfectly proper to accept a contribution from a foreign national so long as he is not an agent of a foreign principal. But that is the source of the $30,000.

Now, I had not accepted the money on behalf of the committee. I was holding it as his agent or in escrow, or whatever the legal term might be, to determine whether or not I could accept it on behalf of the committee.

Senator MONTOYA. Did you finally get the money from Mr. LaRue?

Mr. STANS. I got the money from Mr. LaRue, and he arranged to give it back.

Senator MONTOYA. Let me ask you this question: Did Mr. Sloan make periodic reports to you about moneys which he would disburse?

Mr. STANS. I think you are referring to disbursements in cash, are you, Senator?

Senator MONTOYA. Yes.

Mr. STANS. From time to time, but only a very few occasions, Mr. Sloan gave me reports as to how much cash he had on hand. Occasionally, I asked him and he would give me the figure. And he also gave me reports as to the contributions received in cash. To the best of my recollection, Mr. Sloan did not ever give me a report of the individual disbursements that he made in cash to anyone.

Senator MONTOYA. Did he ever tell you verbally about any big disbursements which he made?

Mr. STANS. Well, I heard about some that he had made in the past. For example, there was $25,000 given in 1971, almost a year before I joined the committee, to help in the campaign of Congressman Mills in Maryland. I did not know about that at the time, but after I became chairman, I was told that——

Senator ERVIN. I think you are distracting the attention of the committee and the witness, so please desist from taking pictures.

Mr. STANS. At the time I became chairman of the committee or shortly thereafter, I was told that there was a loan of $25,000 still due from Congressman Mills' campaign. I asked Lee Nunn, N-u-n-n, who is one of the members of our committee, to check it out and see if we could get paid, and the report was that there was no money and we could not get it back. So in that sense, I did learn from Mr. Sloan about some of the earlier transactions. But I do not recall any full accounting for Mr. Sloan until June 23 of last year.

Senator MONTOYA. Well, did you know of any disbursements made to anyone in Maryland for the Agnew dinner?

Mr. STANS. Yes; I was a party to that transaction.

Senator MONTOYA. Tell us about it.

Mr. STANS. In March, Mr. Alexander Lankler was the chairman of the Maryland Committee for the Re-Election of the President—the campaign committee in Maryland, not the finance committee. And he wanted to be sure that he was going to have adequate financing for his campaign. So on one occasion, he brought in checks from a contributor totaling $150,000 in March. He said that in return, he wanted a promise that, on call, we would give him $50,000 of that money to use in the Maryland campaign at any time. I made the promise. I considered it a pledge to him to do so.

Sometime in May, before the 19th, Mr. Lankler came in and said he would like to call the $50,000 that had been promised to him, he would like it as a loan to be used in a salute to Agnew party on May 19. It did not look as though the receipts of that affair were going to be of a creditable size and he wanted the receipts to be increased.

I gave him the money, with the understanding that it would be returned promptly after the affair was over. It was returned to the committee in July. That is the story of that transaction.

Senator MONTOYA. Did you ever inquire or was not your curiosity aroused by requests for the large sums which were being disbursed by Mr. Sloan?

Mr. STANS. Senator, Mr. Sloan was the treasurer of the committee. He had the cash fund long before I got there. He continued to handle

the cash transactions. My only interest was really in knowing who had made contributions in cash, because I wanted to know who our contributors were. I wanted to know from time to time how much cash he had on hand, because occasionally, he and I would discuss that subject and I would suggest that he ought to put some of it in the bank, and he did from time to time. My recollection is that he banked about half of the money that came in in cash in the course of time.

So that was the nature of my interest and my curiosity.

Senator MONTOYA. Why would you attend these budget meetings, because they were meetings about disbursements, then, if you were just interested in contributions?

Mr. STANS. I do not understand your question, Senator.

Senator MONTOYA. Well, you attended quite a few budget meetings with your budget committee to determine how the money would be spent. This did not deal with contributions.

Mr. STANS. No; it did not; it dealt with the spending of the campaign.

Senator MONTOYA. Now, did you discuss at these budget meetings the big expenditures that were being doled out to certain individuals such as Mr. Liddy?

Mr. STANS. Senator, from the time I came, the expenditures so far as I know, were not big, were not large, except on the one occasion when Mr. Sloan came to me and said that Liddy wanted a fairly substantial amount of money, and I went to John Mitchell and determined that Magruder had the authority to tell Sloan to make payments to Liddy. I was not aware of large amounts of payments.

Senator MONTOYA. Did Mr. Mitchell at that meeting tell you what this money was going to be used for, the money that was going to be disbursed to Mr. Liddy?

Mr. STANS. No; Mr. Mitchell and I did not discuss an amount of money. We discussed only the principle of whether Mr. Magruder had the authority to direct Sloan to make payments. Mr. Magruder said he did not know what it was about—I mean, excuse me, Mr. Mitchell said he did not know what it was about, that it was Magruder's responsibility.

Senator MONTOYA. Did you make any reports about the state of the finances and also the state of disbursements to anyone in the White House while you were with the finance committee as chairman?

Mr. STANS. I made no reports of any kind on cash transactions, if that is the nature of your question.

Senator MONTOYA. No disbursements—total disbursements—cash or otherwise.

Mr. STANS. Total disbursements? I had several conferences with Mr. Haldeman on the subject because I was, as I said earlier, very much concerned, almost irate, about the level of spending in this campaign. I thought originally that, in the President's position, he could be reelected for $25 or $30 million. And when they came to me with budgets of $40 million which were incomplete, and higher amounts, I objected very strenuously. I insisted that there was overkill in the budgets in the sense that they were spending money for massive amounts of direct mail, massive amounts of telephoning, massive amounts of advertising that just were duplicating each other.

And with that feeling of frustration, which was pretty constant every time we had a meeting, I went to Haldeman a couple of times and asked whether he couldn't get some help for me from the President in holding down the level of spending—not in terms of any one category, but just let's run this campaign with less money.

I don't know what Mr. Haldeman did. I didn't see any significant consequences as a result of those several meetings.

Senator MONTOYA. Did he ever get back to you?

Mr. STANS. I don't recall any specific report. He would take it up and talk about it, but that was it.

Senator MONTOYA. Did you ever discuss with Mr. Haldeman any expenditures with respect to any of the activities chargeable to the White House?

Mr. STANS. No, I don't recall any discussion with Mr. Haldeman about that.

Senator MONTOYA. Were you aware that expenditures were being made for activities which were emanating from the White House?

Mr. STANS. I was aware that the Republican National Finance Committee was reimbursing the White House for fairly substantial amounts of money each month for matters which were believed to be political, such as mailings and things like that. And when the President became the official candidate of the party, I was aware of those amounts in considerably greater detail, because I also became chairman of the Republican National Finance Committee.

Yes, the two committees were paying substantial amounts of money for mailings by the White House, for traveling expenses of people in the White House, and for the President's political travel.

Senator MONTOYA. And how was this money disbursed to the White House for these purposes? In cash or by check?

Mr. STANS. Oh, it was all by check. I don't know of any case in which the money went by cash.

Senator MONTOYA. So, do I understand that the cash disbursements about which you are aware are as follows: $350,000 to Mr. Kalmbach, which eventually went to the White House to Mr. Strachan, and $75,000 to Mr. Kalmbach directly, comprised of $45,000 from your safe and $30,000 from the contribution by the Philippine national; then $89,000 to Mr. LaRue on one occasion——

Mr. STANS. $81,000.

Senator MONTOYA. Well, Mr. Stone says $89,000, so there is a conflict there—Mr. Sloan, I mean.

Mr. STANS. Senator, may I say that I think Mr. Sloan's record in a number of cases is that he said $81,000. I am sure that is the right one.

Senator MONTOYA. And $39,000 on another occasion. Is that correct?

Mr. STANS. That is correct.

Senator MONTOYA. And those are the only cash disbursements that it is your feeling went to the White House?

Mr. STANS. Well, the $350,000 went to the White House. The $75,000 that I gave to Mr. Kalmbach went for a White House purpose, but I do not know that the White House ever got it. So far as I know, the $81,000 did not go to the White House; and the $39,000 did not go to the White House except for one item, which I have not yet told you about.

On November 28, I got a call from John Dean, or it may have been a day or two before November 28 which led to an action on November 28, saying that the $350,000 fund which had been turned over to Strachan in April had been depleted by $22,000; $22,000 had been used for some purpose. Since it was a fund for polling, I just assumed that it was for polling.

He said that he would like very much to have that fund restored to $350,000 so that if he ever had to account for it, it would be intact. And as a matter of fact, along about that time, we began discussions about whether or not the $350,000 might be given to the finance committee and taken into its receipts. But he indicated it was quite important that he have $22,000 to restore the fund.

So I gave him $22,000 out of the money that I had received through Tim Babcock, on November 28. He sent Gordon Strachan of the White House staff over to the office to pick it up.

Now, the other $17,000 that I had received from Tim Babcock I gave to Fred LaRue as a payment on account of the $30,000 that he had given me to give back to the Philippine national. So that $39,000 was expended and those transactions have all been reported to the General Accounting Office in our last report.

Mr. BARKER. Senator Montoya, for the record, I might indicate that in Mr. Dash's questioning on June 6 of Mr. Sloan at page 1254, he refers to the $81,000 figure, consisting of $18,000 and $63,000.

Senator MONTOYA. I received that information from the transcript of the interview which indicates the sum of $89,000, so there must have been a typographical error but on page 4 of the interview of which we have a record it indicates $89,000.

Now, let's go back to the cashier's check that Mr. Dahlberg got in Miami and brought to Washington and then went back to Miami and was cashed. Now was the cashier's check for $25,000, was that in the name of Mr. Dahlberg?

Mr. STANS. Yes, it was on a Miami bank payable to Kenneth Dahlberg.

Senator MONTOYA. Did he endorse it?

Mr. STANS. Yes, he did. He endorsed it just before he gave it to me.

Senator MONTOYA. Who cashed it?

Mr. STANS. Well, I don't know for a fact who cashed it except that I gave it to Mr. Sloan at the first opportunity. Mr. Sloan discussed it with our general counsel, Mr. Liddy, and according to Mr. Sloan, Mr. Liddy undertook to cash it.

Senator MONTOYA. That is all, Mr. Chairman.

Senator ERVIN. It is sort of a warm day and the witness has been on the stand for a long time. It is apparent we can't finish today so without objection on the part of some member of the committee we will stand in recess until 10 o'clock tomorrow morning, Thank you.

[Whereupon, at 4:30 p.m., the committee recessed, to reconvene at 10 a.m., Wednesday, June 13, 1973.]

WEDNESDAY, JUNE 13, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to recess, at 10:05 a.m., in room 318, Russell Senate Office Building, Senator Sam J. Ervin, Jr. (chairman), presiding.

Present: Senators Ervin, Talmadge, Inouye, Montoya, Baker, Gurney, and Weicker.

Also present: Samuel Dash, chief counsel and staff director; Fred D. Thompson, minority counsel; Rufus L. Edmisten, deputy chief counsel; Arthur S. Miller, chief consultant; Jed Johnson, consultant; David M. Dorsen, James Hamilton, and Terry F. Lenzner, assistant chief counsels; Barry Schochet, Ron Rotunda, Phillip Haire, and Marc Lackritz, assistant majority counsels; Eugene Boyce, hearings record counsel; Donald G. Sanders, deputy minority counsel; Howard S. Liebengood, H. William Shure, and Robert Silverstein, assistant minority counsels; Pauline O. Dement, research assistant; Eiler Ravnholt, office of Senator Inouye; Robert Baca, office of Senator Montoya; Ron McMahan, assistant to Senator Baker; A. Searle Field, assistant to Senator Weicker; Michael Flanigan, assistant publications clerk.

Senator ERVIN. The committee will come to order.

Senator Gurney.

Senator GURNEY. Thank you, Mr. Chairman.

Mr. Stans, you testified yesterday about four large cash payments which you either made or you knew about. Did you make any other cash payments to anyone and if so, to whom and how much and when?

TESTIMONY OF MAURICE H. STANS—Resumed

Mr. STANS. I made a note last night of cash payments after April 7 of which I had any knowledge, and the first one was to Alexander Lankler in the amount of $50,000. There was one which I am not sure was mentioned yesterday but which has been reported to the General Accounting Office, a cash payment of $10,000 to Max Fisher for traveling expenses that he incurred on behalf of the campaign.

Senator GURNEY. Who is he?

Mr. STANS. Max Fisher of Detroit was a cochairman of the finance committee. He spent a great deal of his time in the course of the campaign working with the Jewish community in the United States on behalf of——

Senator GURNEY. This had nothing to do with Watergate?

Mr. STANS. No, nothing whatever.

Senator GURNEY. Go on.

Mr. STANS. Then, there was an item of $22,000 that I mentioned yesterday which was given at the request of John Dean in order that he could rebuild the $350,000 fund that he had——

Senator GURNEY. That was one of those four that I said——

Mr. STANS. Yes, I do want to say one thing here. I misspoke myself yesterday and said that Gordon Strachan was the man who picked up that money. Actually, it was Fred Fielding.

Senator GURNEY. You are talking now about the $350,000 or $22,000?

Mr. STANS. No, about the $22,000. Fred Fielding picked up the $22,000. Fielding worked in the office of John Dean and it was not Gordon Strachan at that point.

Now, as to payments beyond that I mentioned the $81,000 that Mr. Sloan and I gave to Fred LaRue late in June, and $17,000 that I gave to Fred LaRue in January of this year.

Senator GURNEY. What was that for?

Mr. STANS. It was money that I had received in cash from a contributor, and I gave it to LaRue in part payment on the $30,000 that he had given to me so I could return the money to the Philippine contributor, hoping that thereby I could help LaRue to rebuild his $81,000 fund because at that point we were talking about the desirability of LaRue accounting for the $81,000 and perhaps turning it in to the committee.

Now, those are the only items that I recall of cash payments after April 7.

Senator GURNEY. I think that you did testify on this but do you know what LaRue used the $81,000 for?

Mr. STANS. I do not know what he used the $81,000 for.

Senator GURNEY. I understand, Mr. Stans, that cash was kept in a safe in your office from time to time. Is that not true?

Mr. STANS. That is not true. There was no safe in my office. I would like to give you the entire story however. There was no safe in my office. There was a safe in the office of my secretary. [Laughter.]

During the time that there was money in that safe, the only people to my knowledge who had access to the safe were Mr. Sloan and myself.

Originally, the concept was that money would be accumulated there and as Sloan needed it, he would draw upon it. But actually it did not work that way because when I received cash from a contributor I gave it immediately to Mr. Sloan if he was available. I would call him to my office and hand it to him or walk to his office and give it to him. The only cases in which money was put in that safe at all were when Mr. Sloan was not available, and I would put it in overnight and give it to him the next day. If it was the weekend, I would put it in over the weekend and give it to him the following week and, to the best of my recollection there was only one time at which there was more than one contribution for more than a day or so. It was toward the end of the campaign when I think there were three contributions in the safe that came in close together. That safe was not used for anything but a way station for temporary periods. Mr. Sloan had custody of the entire cash fund and I did not pay out any money out of that fund that Mr. Sloan had until we came to the end when we divided up the $81,000 and I handed $40,000 of it to Fred LaRue.

Senator GURNEY. Do you know of your own knowledge what cash disbursements were made by Sloan or anybody else?

Mr. STANS. I did not have any knowledge of cash disbursements by Mr. Sloan at the time other than the fact, as I testified yesterday, that Magruder had authority to direct Mr. Sloan to make payments. I did not know anything about the amounts of the individual payments made by Mr. Sloan. I did know, of course, about the $50,000 that he gave to Alexander Lankler as I testified yesterday. I did not know at the time about any payments to Herbert Porter or to the White House beyond the $350,000 to which we have testified. I did not know about any payments which he made to Herbert Kalmbach or any of the other payments that were made by Mr. Sloan before or after April 7 except that I believe I had some knowledge about the $15,000 that he gave to Robert Athey at the request of Clem Stone to give to some law enforcement group in Illinois.

Senator GURNEY. Back for a moment to the $75,000 to Mr. Kalmbach. At that time did he tell you who asked him to get the money?

Mr. STANS. No, he did not. He would not tell me.

Senator GURNEY. Did you ask him?

Mr. STANS. I asked him why he wanted the money and he said it was on high authority for a White House project not related to the election and I would have to trust him, that he had checked it out.

Senator GURNEY. Did you check with anybody else like Haldeman, Ehrlichman, or anybody else whether you should pay the $75,000 to Kalmbach?

Mr. STANS. No, I didn't.

Senator GURNEY. At one point in your testimony yesterday you made passing reference to the fact that you had received moneys from time to time from Mr. LaRue, you did not identify in what amounts or for what.

Could you do that now?

Mr. STANS. Yes. I received $30,000 from Mr. LaRue, not received in hand, but at my direction Mr. LaRue refunded the $30,000 that had come from the Philippine contributor.

On another occasion late in the year——

Senator GURNEY. What did you do with this $30,000?

Mr. STANS. At the time Mr. LaRue made the repayment I didn't handle the money at all. He made it direct.

Late in the year——

Senator GURNEY. Direct to whom?

Mr. STANS. Mr. LaRue made the payment to Anna Chennault, to transmit to Lagdameo who had proffered the contribution to us in the first place.

Senator GURNEY. I see.

Mr. STANS. Late in the year Mr. LaRue gave me $10,000 to give to Max Fisher which we had owed him for a long time for his traveling expenses in the course of the campaign. On another occasion, Mr. LaRue used $10,000 of the money we had given him to refund to a contributor whom I mentioned yesterday by the name of Saunders. So Mr. LaRue had accounted for three items, $30,000 plus $10,000 plus $10,000 or $50,000 against the $81,000 we had given to him.

Subsequently, as I testified, I gave him $17,000 to begin to rebuild his fund. That is all I was able to give him. So he then had an accountability for a balance of $48,000.

Late in May Mr. LaRue gave us the $48,000 and balanced out his account. So far as I know of at this time of any transactions between our committee and Mr. LaRue, his account is balanced.

Senator GURNEY. Did you confer at any time with John Dean on the $25,000 Andreas contribution, how to handle it, the legality of it?

Mr. STANS. No. I do not recall that I conferred with John Dean about that item specifically. I believe that I conferred with John Dean and with other counsel on the principle of law of whether that contribution had to be reported as having been received after April 7 or whether it could be treated as a contribution before April 7, but only in terms of the principle of law.

Senator GURNEY. When was that discussion had with him about how to treat it?

Mr. STANS. Well, I would have to assume that it occurred early in April of last year.

Senator GURNEY. I am curious. Why would you confer with him about it instead of the general counsel for the finance committee?

Mr. STANS. Oh, I did confer with him, too. I also conferred at an earlier time with the counsel for the Republican National Finance Committee.

What we are involved with here is the question of the meaning of the Corrupt Practices Act definition of a contribution. Very simply—and I will paraphrase it without having the language right in front of me—the Corrupt Practices Act says that a contribution includes the receipt of money or anything of value, and includes a promise, agreement, or contract to make a contribution, whether or not it is legally enforceable. And it was on that language that I concluded that the contributions received from several people whom we have discussed here were contributions by law before April 7.

Senator GURNEY. Did Mr. Dean ever tell you at any time that he was conducting an investigation for the President into the Watergate affair?

Mr. STANS. No, I do not recall that Mr. Dean ever told me that he was conducting an investigation. I think I heard first about that from the public statements of the President or others in the White House.

Senator GURNEY. Yesterday, you mentioned in your testimony that you heard that Liddy was receiving money, but you did not identify from whom you had heard it. Do you recall?

Mr. STANS. I really cannot recall, because it was in the early days of my service to the committee. It could have come from Mr. Kalmbach, it could have come from Mr. Sloan. I doubt that there was anyone else who could have told it to me. My vague recollection is that I was told that Liddy was getting small amounts of money from time to time in cash and that it was being used in the primaries. I do not have any other recollection of that and I had no idea that the amounts were as large as they apparently were.

Senator GURNEY. Did you ever know about the $250,000 budget before the Watergate break-in?

Mr. STANS. No, sir, I was not told by anyone about a $250,000 budget for Mr. Liddy.

Senator GURNEY. Back to these Kalmbach moneys again. In your initial discussion with Mr. Kalmbach about this money, did he say he was getting it to spend himself on a project for the White House, or did he say he was raising it to pass it on to somebody else to spend?

Mr. STANS. He did not say.

Senator GURNEY. Did you get any impression from your conversation whether he meant the one or the other?

Mr. STANS. I had no such impression either way.

Senator GURNEY. You mentioned, of course, a later conversation, I think you said about 6 weeks ago, perhaps, with Mr. Kalmbach's attorney——

Mr. STANS. Yes.

Senator GURNEY [continuing]. In which he told you that it was Mr. Dean who had requested Kalmbach to raise the money. What about in this discussion? Did his attorney tell you whether Mr. Kalmbach raised the money to spend himself or whether he was raising it to pass on to someone else?

Mr. STANS. In that conversation, Mr. Kalmbach's attorney told me that Mr. Kalmbach had raised the money for the purpose of giving it to a man named Tony. He did not give me his last name or any other details, but he said it was for the purpose of paying legal fees for the lawyers representing the defendants in the Watergate case.

Senator GURNEY. He did not identify Tony beyond that?

Mr. STANS. No, he did not.

Senator GURNEY. And you do not know who he was?

Mr. STANS. I do not know who Tony was.

Senator GURNEY. The $350,000 for the White House and the reimbursement of $22,000 requested by Dean—I am curious about that. Why should Mr. Dean be so uptight about restoring $22,000 to this $350,000 fund if $22,000 was used legally, as I thought it was from the testimony? Can you shed any further light on that?

Mr. STANS. Well, I can only shed this light, that in several discussions with Mr. Dean, the desirability of having the $350,000 intact seemed important to him.

Senator GURNEY. Well, why did it?

Mr. STANS. For example, in November——

Senator GURNEY. November?

Mr. STANS [continuing]. Of last year. He handed me some bills for polling by a polling organization—I believe it was Opinion Research Corp.—and said that originally it had been the intention to pay those bills out of the $350,000 fund, but that they wanted to keep the fund intact and the bills did relate to the campaign, so it was perfectly proper for them to be paid as expenses of the campaign, and he asked that they be so paid. And on that authority, the bills were paid to the polling organization.

Now that I understood to be for the purpose of keeping the $350,000 intact.

Senator GURNEY. So in November 1972, from your discussion with him, it would be your impression that the $350,000 was there at that time?

Mr. STANS. That was my impression until he told me that another $22,000 had actually been spent.

Senator GURNEY. Did he say when?

Mr. STANS. I do not recall, no. I am sure he did not.

Senator GURNEY. Did he say what for?

Mr. STANS. Well, I have to hedge on this, because I do not know. I just assumed, since it was a polling fund, that it had been spent for

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polling. But recently, I have learned, reading one of the depositions, that it may have been spent for advertising.

Senator GURNEY. Another thing that puzzles me. My understanding of this $350,000 is that it went to Haldeman. We have no direct evidence on that, but we do know that Mr. Strachan—Haldeman's aide—picked it up. Was it not your understanding that it went to Haldeman?

Mr. STANS. I had no understanding on that, Senator. The transaction was really handled by Mr. Kalmbach and my knowledge about it was entirely peripheral. At the beginning, I heard, as I testified yesterday, that the White House wanted some money for polling purposes to have to use in its discretion, and subsequently, I found out that the money had been paid to the White House. But I really played no part in that transaction, and I believe Mr. Kalmbach will take the full responsibility for it.

Senator GURNEY. You never heard at any time that Mr. Dean received this money or had any part in the supervision of it, handling of it, or disbursing of it?

Mr. STANS. No. I never understood that Mr. Dean was handling the money.

Senator GURNEY. Did you ever ask Mr. Dean at this time, or when he asked for the $22,000, why he was handling the money? Apparently, at that time, he must have had something to do with it.

Mr. STANS. I didn't ask him why he was making the request. We had discussed the $350,000 on several occasions before—first, when he asked me to pay the polling bills, and second, when we considered the possibility of returning it to the committee. And I assumed that he was in these discussions because of his position as counsel in the White House.

Senator GURNEY. Did you check with either Haldeman or Ehrlichman on this $22,000?

Mr. STANS. No, I did not.

Senator GURNEY. Why didn't Dean go to the treasurer? The treasurer is the man who I understand, from the testimony, was making almost all of the disbursements with the exception of a few cash ones we have talked about here. Why should he come to you? Why shouldn't he go to the treasurer?

Mr. STANS. Well, again, Senator, I can only presume. We had a new treasurer after Mr. Sloan left. Dean had very little contact with him and I doubt that he even knew him. I think that is the reason he called me.

Senator GURNEY. You testified that you learned about the Watergate break-in, as I recall, in the newspapers? Is that correct?

Mr. STANS. That is correct.

Senator GURNEY. Now, of course, as you, as we all know, there was great consternation when this happened and a flurry of conferences and phone calls between the key people who were running the Committee To Re-Elect the President. Did you have any conferences or phone calls on June 17 or 18 regarding Watergate with anyone?

Mr. STANS. I don't recall any conferences on the 17th, and I was not in the office on the 18th. So my answer would be other than the possibility that I may have said to somebody, that is a silly thing to do, based on the newspaper headlines, I had no conferences about the details of the transaction.

Senator GURNEY. Did you have any phone calls?

Mr. STANS. None that my records show.

Senator GURNEY. Do you recall any?

Mr. STANS. I do not recall any.

Senator GURNEY. At some point in time, of course, you learned, as we all have, about Watergate, the people who were the key people in it and to the best of your recollection when did you learn about Watergate and who were the key people in it and from whom?

Mr. STANS. The first thing I learned about Watergate, to the best of my recollection was on June 23 when I received a call from Fred LaRue, as I testified yesterday, and he said: "Do you know Kenneth Dahlberg?"

And I said: "Yes, I know Kenneth Dahlberg very well."

He said: "Well, did you know that his contribution ended up in the bank account of one of the fellows who was arrested in the Watergate?"

And I said: "To the best of my knowledge Mr. Dahlberg didn't make a contribution, particularly in that amount of money that you mentioned."

He said: "Well, we had better talk about it."

So he came down to my office and we reviewed the situation. I recalled, of course, the circumstances under which Dahlberg had given us the check, and we called Dahlberg on the phone and got him to come to Washington to review the whole matter. That is my first knowledge of the Watergate situation.

Senator GURNEY. Did you ever discuss it with John Mitchell at any time near this point in time? That is June 17.

Mr. STANS. Well, I would be sure that I discussed this with John Mitchell on a number of occasions and my records show that the first time I talked to John Mitchell after the 17th was on the 23d when we had lunch in his office. I am not sure what the conversation was about. Whenever I met with Mitchell I usually had a list of five or six things to talk about. I would not presume that we didn't talk about the Watergate. I am sure it was a subject of interest but certainly not about who and when and why.

Senator GURNEY. Did LaRue come to you in January 1973, this year, and ask you for the names of some of the larger contributors to the campaign?

Mr. STANS. Yes; I reported that to the staff of the committee. He asked me for the names of some contributors to whom he might go for money for a White House project.

Senator GURNEY. What was the project?

Mr. STANS. He didn't tell me.

Senator GURNEY. Did you ask him?

Mr. STANS. No; I did not. Mr. LaRue again was a man of high standing in the campaign. He had been assistant to John Mitchell. There were no revelations at that time involving him in anything and I had total confidence in anything Mr. LaRue told me.

Senator GURNEY. Have you ever conferred with John Mitchell, Magruder, Haldeman, Ehrlichman, Dean or anybody else on the coverup of Watergate?

Mr. STANS. I have no recollection of any discussion with anyone about the coverup on the Watergate until after the disclosures that have occurred within the last 2 months.

Senator GURNEY. Have you ever discussed this Watergate affair or any aspect of it with the President of the United States?

Mr. STANS. Only in the sense that the President and I met once during the campaign and I had one telephone call from him, both in August.

Senator GURNEY. Both when?

Mr. STANS. In August of last year, in which he said that he was aware of the fact that I was receiving considerable punishment in the press for not answering their questions at the time. He said that he appreciated the sacrifice I was making in that respect but the matter would be over eventually, and he hoped that I could continue to take it. It was a pep talk, in other words, and that was the substance of the discussion over the telephone.

Now, in the subsequent meeting about 10 days later in his office in the Executive Office Building I talked about some of the problems on fundraising with him, the pending nationwide dinner which was going to take place in September at which he was going to participate, and matters of that type but there was no discussion of the Watergate, of coverup or any subject of that type with the President.

Senator GURNEY. Do you know from any information from anybody else whether the President of the United States had any knowledge of Watergate or the coverup?

Mr. STANS. I have absolutely no such information.

Senator GURNEY. Thank you, Mr. Stans.

That is all, Mr. Chairman.

Senator ERVIN. Senator Inouye.

Senator INOUYE. Thank you, Mr. Chairman.

Mr. Secretary, a few moments ago you testified that you had met with Mr. Mitchell on June 23 and yesterday you suggested that it was possible you met with Mr. Mitchell on June 24. The break-in was on the 17th of June. On the 18th I believe all of the major papers in the United States had banner headlines about the Watergate break-in and you learned about that for the first time. Then, on the 23d of June you testified you received a call from Mr. LaRue, I believe. Then, there were other banner headlines about moneys being traced through a bank and hundred dollar bills all over the place and the security chief of the Committee To Re-Elect the President being arrested as one of those found in the Watergate complex. Last week one of your associates, Mr. Sloan, testified that he was quite apprehensive about an $81,000 cash disbursement to Mr. Liddy and he testified that he conferred with you on this matter and wanted some indication from you that Mr. Magruder was authorized to make these cash payments. So you indicated that you would look into this, and on June 24 you had a meeting with Mr. Mitchell, the Attorney General.

Now, upon your return from the meeting this is what Mr. Sloan testified to, and I am quoting from the testimony:

By "he" he means you, sir, "He returned from that meeting with Mr. Mitchell and he confirmed that Mr. Magruder continued to have this authority that I should pay these funds and with regard to my question of concern about his purpose he said 'I do not want to know and you do not want to know'."

Do you recall this, sir?

Mr. STANS. Before I answer that, may I say that with respect to the meeting with Mr. Mitchell on the 24th, I have checked my records last night and I do not have any record of a meeting with Mr. Mitchell on the 24th of June. Now, that does not mean that I may have met him in the hall, the building, on the street, or even dropped in his office, but I have no record of this meeting having taken place.

I did have lunch with Mr. Mitchell in his office on the 23d.

Now, with respect to the remark that was made after I checked with Mitchell about the authority of Magruder to ask Sloan to make payments to Liddy, I recall the occasion but that was not the whole conversation, and I am not quite sure that it is entirely accurate but it is the substance of what was said. But last week when Mr. Sloan testified he also put that remark in a much larger context and that context was much broader than the matter of payments to Liddy and it was quite accurate. As I recall, he said the context was one of total frustration that I had and he had with the spending program of the campaign committee.

At that point we had received a budget of $34 million and it was incomplete on its face because some items were not priced out. It meant they were going to spend $40 million. I had argued when I came on the committee and even before, that the campaign ought to run, with the President in office, for $25 or $30 million. It was evident we were in a situation in which the campaign committee was calling all the signals, was making all the commitments. We really had nothing to say about it, and it was one, as I said, of total frustration with the whole situation. I threw up my hands, and I say that literally and I think Mr. Sloan quoted that specifically, that we were just not going to have any influence in this situation.

The remark I made, and I cannot quote it precisely, was something to the effect that "I don't know what's going on in this campaign and I don't think you ought to try to know." We were the cashiers, we received the money, and we paid the bills. They had the responsibility for everything they did. If they did it right they got the credit. If they did it wrong they got the blame and it did not seem that it was incumbent upon us to question the propriety of any payment, whether it was to Mr. Liddy or anybody else, and we did not.

Senator INOUYE. Wasn't this rather uncharacteristic of your background, sir, as one who had received all of the honors that a certified public accountant can ever hope to get, one who has been described as having an accountant's mentality, one who is a stickler for details, one who insists upon putting the right notes on the debit side and the right notes on the asset side, that you would put up your hand and say "I do not want to know?"

Mr. STANS. It was uncharacteristic of my background as an accountant but it was not uncharacteristic of the responsibilities I had in this campaign which had absolutely nothing to do with accounting. My job was to raise an unbelievable amount of money, $40 million or more.

Senator INOUYE. And you were not curious about how these funds were being spent especially since you read in the paper about the break-in on the 18th, you heard about the accounts of the Dahlberg money on the 23d, you read about it in the paper, and then you heard about Mr. McCord being one of those arrested, weren't you a bit suspicious?

Mr. STANS. Oh, I must say, Senator, that in the sequence of dates, it did not occur that way. This conversation that I had with Mr. Sloan and the occasion of the verification of Magruder's authority took place early in April, and the subsequent events obviously could not possibly have been conceived by me or anyone else.

Senator INOUYE. Mr. Secretary, you stated yesterday, that Mr. Magruder told you sometime in May, I believe you said the latter part of May, that Mr. Liddy was to provide security at the San Diego convention. Did I hear correctly, sir?

Mr. STANS. Yes, that was about all I ever heard about Mr. Liddy's activities except, as I said, when I came to the committee in February I got intimations from someone that Mr. Liddy was using relatively small amounts of cash in connection with the primaries.

Senator INOUYE. So you provided funds to Mr. Liddy in May for security activity in San Diego?

Mr. STANS. I did not provide Mr. Liddy any funds. The funds came from the treasurer and came to him—came to Liddy, I believe, before the time of my conversation with Magruder, indicating that this was for convention security.

Senator INOUYE. When was the conversation with Mr. Magruder?

Mr. STANS. Well, I really cannot pin it down by date.

Senator INOUYE. The early part of May?

Mr. STANS. I have testified earlier that I think it was in the latter part of May. It may have been in the early part of June. But it had no relation to the timing of the Watergate developments.

Senator INOUYE. Mr. Secretary, are you aware that the transfer of the Republican Convention from San Diego to Miami was made public on April 21?

Mr. STANS. I do not recall the exact date, but nevertheless, that was what Mr. Magruder told me as to what Liddy had been using the money for.

Senator INOUYE. Was this not a major decision in which I am certain you must have participated?

Mr. STANS. I had no part in the decision to move the convention from San Diego to Miami.

Senator INOUYE. Even when it meant the additional sums of money?

Mr. STANS. Well, I think this is pretty good evidence of the fact that the finance committee had very little to say in the campaign. We knew that the convention in San Diego was going to cost a lot of money. I had seen budgets indicating that it was going to cost $3 million because of structural changes to the building in San Diego and so on. But we had no voice in that decision. It was a Presidential decision and we in the finance committee accepted it as something that had to be coped with.

Now, having said that, there was a separate committee that had the responsibility of financing the convention. There was a separate convention committee, and it had its own funds which were not part of our responsibility to raise, except that as these things go, if they had run short, I am certain they would have come to our treasury in order to make up any deficit on the costs of the convention.

Senator INOUYE. So you are testifying that in middle May or late May, you were not aware that the party had changed its convention site?

Mr. STANS. Oh, I am not testifying to that at all. I cannot put the date, but I was aware of what was being said in the press and certainly was conscious of that.

Senator INOUYE. On July 1, or June 29, somewhere in that period, Mr. Kalmbach called you and advised you that there was a very urgent request for cash funds for a special purpose. Now, in the weeks prior to that, questionable activities were being reported in the press. Were you not a bit curious as to what these funds were going to be used for?

Mr. STANS. Well, Senator, I think you—it is very easy for all of us in retrospect to assume a lot of knowledge in the week following the disclosure of the Watergate break-in. But this came step-by-step, day-by-day, slowly. I do not believe that I had any knowledge of any activities in connection with Watergate except that Mr. McCord was one of those arrested and I did not know Mr. McCord. I was aware that Sloan had made payments to Liddy; there was the possible connection there. But it was not until the 28th of June, which is later than the date you are referring to, that Mr. Liddy refused to answer questions of the FBI and I discharged him, discharged him on advice of counsel the minute I had heard about it.

Senator INOUYE. On the 28th of June?

Mr. STANS. 28th of June.

Senator INOUYE. 1972?

Mr. STANS. Yes.

Senator INOUYE. And Mr. Kalmbach made the request on June 29?

Mr. STANS. On the 29th of June, the very next day.

Senator INOUYE. And you were not a bit suspicious then?

Mr. STANS. I was not. I knew Mr. Kalmbach very well and he was a man who had close ties in the White House, had had them for years, including being counsel to the President. I trusted him implicitly as a man of honor and integrity, and when he came to me and said he needed money for a special purpose, I had no reason to assume that it was anything but proper.

Senator INOUYE. The next series of questions I would like to inquire into, Mr. Secretary, may sound a bit naive coming from a politician, but I think it would be most helpful to the people of the United States if we had some explanations. Many of us who spend much of our lives in Washington have not been unaware of cash contributions.

Yesterday, you testified that "naturally, we wanted most of our contributions in by April 7."

Mr. STANS. Did I say that, Senator?

Senator INOUYE. Yes.

Mr. STANS. I would question the record on that, because there was no chance that we could get most of our money in by April 7.

Senator INOUYE. Was there not a mad rush to get as much as you could by then?

Mr. BARKER. Senator Inouye, could you refer to the page or something so we could check that if we might?

Senator INOUYE. I am sorry. Let me put it his way: Was there a mad rush to get as much money as you could before April 7?

Mr. STANS. Mad rush is not the correct word for it. It is a characterization that really is not very fair.

Senator INOUYE. Mr. Sloan has testified that in the last 4 or 5 days, they were just deluged, and I believe he used the word "avalanche."

Mr. STANS. There is no question about that. There was an avalanche of money in the last 5 days before April 7.

What I did when I took office on February 15 was to plan an effort to reach as many people as possible among the larger contributors and tell them the option they had of giving their contribution before April 7 and having the right of confidentiality or giving it later. Many people said, "I do not care, I will give it later."

Now, there was an advantage in getting early money. Anyone who has ever run for office knows that the early money is the hardest to get. I took advantage of that opportunity to visit a number of cities in the country, met with a lot of people, urged those who were working with me in the States to make it clear that there was an option to the individual contributor.

Senator INOUYE. Why would a contributor desire, as you say, confidentiality or anonymity?

Mr. STANS. Oh, there are a number of reasons, Senator.

Senator INOUYE. Why don't we tell the people of the United States?

Mr. STANS. I would be very happy to tell the people of the United States, because I think contributors have been very badly maligned in their desire for confidentiality.

One is that sometimes it affects relationships with employers, with unions. Sometimes, and this is, I think, the most important point, it makes them a target. It makes them a target for a great many other political campaigns. It makes them a target for charitable drives of all types. And many people want to make their contribution and not be that kind of a target.

Senator INOUYE. Aren't we all targets for charitable drives?

Mr. STANS. Yes, but you are a much better target if it is known that you gave $25,000 to Senator Inouye's campaign than you are——

Senator INOUYE. That will be the day.

Mr. STANS [continuing]. Than you are if that is not known.

Now, there are some people, frankly, who give to both sides, both candidates. There are some like Mr. Dwayne Andreas, who is a close friend of Hubert Humphrey and contributed to his campaign, but was also a friend of the President and wanted to contribute to his campaign. So he wanted anonymity.

The greatest disservice that is done to people is to assume that because a man wants anonymity that he has a secret, sinister motive in doing so.

Senator INOUYE. As an accountant, I am certain from your standards that you have applied to yourself, you must have questioned the receipt of cash. I have been told that most accountants would like to have everything clean and proper, that everything should be in writing.

Mr. STANS. Well, let me answer that in two ways.

Senator INOUYE. Is cash an important element in political elections?

Mr. STANS. I do not think it is an important element at all. I testified yesterday that the cash receipts that were taken in before I came with the committee and after amounted to about 3 percent of the total receipts of the campaign and that the disbursements in cash amounted to only 2 percent of the total disbursements of the campaign. And

that includes the $350,000 that went to the White House. So cash is not an important element.

Let me say this. Contrary to what has been said on one or more occasions, we did not prefer getting cash. We did not ever solicit anyone to contribute in cash. It was the option of the contributors to give us money in cash. We had no need for it in substantial amounts, and as I said yesterday, we put in the bank about half of the money that we received in cash.

So the choice was that of the contributor and not of our committee to receive money in cash.

Senator INOUYE. I notice that other Presidential candidates voluntarily disclosed all of their contributions which were made prior to April 7. Was there any reason for refusing to do so on your part, sir?

Mr. STANS. I think, Senator, there were some of the other candidates for the Presidency who did not disclose the source of their contributions. I do not believe that Senator Jackson made that disclosure and I do not believe that Wilbur Mills made that disclosure and there may have been one or more others that did not disclose.

We viewed the disclosure of contributions by some of the candidates who had not received much money anyway as a political ploy in an effort to try to force us to disclose. I have said yesterday that our committee had no concern about disclosure except insofar as it affected the rights of the individuals under the law and we didn't think we had the right to waive the privilege for them.

So as a matter of policy, and I was joined in this by representatives of the campaign committee and the White House, the conclusion was reached that we would not make that disclosure.

Now, that matter is still the subject of litigation and we have not yet disclosed the names of our contributors before April 7 except as to one group of names amounting to about $6 million that we disclosed just before the election.

Senator INOUYE. As one who has been described as the most successful political fundraiser in the history of the United States, would you recommend to this committee that legislation be drafted to prohibit the receipt and disbursement of cash in political campaigns?

Mr. STANS. Well, I am a bit ambivalent on that. I am not quite sure. I think any finance chairman would welcome that kind of legislation, because it eliminates one potential series of questions as to where the cash came from and where it went. But I think you have got to be very careful in drafting it to make sure that you don't destroy some of the means by which elections are carried on, because there are times when you have to pay certain expenses in cash on the spot. You have to have petty cash funds with which to pay small bills, and so forth.

Carefully drafted, I would, as a finance chairman, say that it would make life a little bit easier because we wouldn't have so many questions to answer later on.

Senator INOUYE. Yesterday and this morning, you have testified that you had no reason to question the integrity or the reliability of such associates as Mr. LaRue—you have described him as a good person—Mr. Mitchell, or Mr. Kalmbach. When did you begin suspecting that something was wrong?

Mr. STANS. I didn't have any suspicions about any of these people until after the disclosures in the press following, I believe it was March

23, when Mr. McCord wrote his letter. And gradually, step by step, names were being drawn into the public print. I have no firsthand knowledge of any of the activities on the part of those people. Most of what I have learned is from reading the press and listening to television.

Senator INOUYE. Before Mr. McCord's disclosure by letter, do you not recall seeing, for example, in the Washington Post all of these articles which had appeared on the front page naming people such as Dwight Chapin, naming people like Mr. Donald Segretti, and naming others in high places and were you not becoming a bit suspicious by then?

Mr. STANS. Well, of course, I read the Washington Post, as I read it every day, but with the greatest of respect, and I presume this is going to cause me some trouble with the Post, I do not believe everything I read in it. Now, the Segretti matter was not described as having anything to do with the Watergate. I did not know Donald Segretti or anything about him. If he performed any function it was described at the time as having been in the area of sabotage of the activities of the opposing candidates and not espionage. So, yes, I followed all those matters, Senator, but I had no reason to believe that any of the people who were not in the first part of the Watergate were in any way involved.

Senator INOUYE. It is your testimony this morning that until March 23 of this year you had no reason to suspect that people like Mr. Kalmbach or Mr. Mitchell or Mr. Haldeman or Mr. Ehrlichman, were possibly involved in the Watergate and its ramifications?

Mr. STANS. That is entirely correct, Senator.

Senator INOUYE. As a member of the budget committee of the Committee To Re-Elect the President, as a close associate of all of these men, never once did they discuss these matters with you?

Mr. STANS. There was never any discussion with me about the planning of the Watergate matter, the planning of any coverup of any kind, and I was completely uninformed. I presume that this was because, as I said yesterday, our two committees operated in watertight compartments. We had our job to do, and were not in on the planning or strategy of any part of the campaign. I am very grateful that they did not tell me.

Senator INOUYE. Why is it that certain members of your watertight compartment were notified——

Mr. STANS. Well, the only one——

Senator INOUYE [continuing]. About the handling of that Watergate matter?

Mr. STANS. The only one who was informed so far as I know, was Gordon Liddy, and we heard the story yesterday about how Gordon Liddy came to be part of our committee. He apparently had a feud with Magruder and Magruder suggested that he be moved to our committee and, in fairness to Mr. Liddy, I will say that I thought he was a good lawyer, and he worked hard as a lawyer. What he did on the side was not in any degree within my knowledge.

Senator INOUYE. All right, thank you very much, Mr. Secretary.

I must say that, like you, I find these circumstances most regrettable because I still recall those days when we worked very closely when you were Secretary of Commerce and my position on

the Commerce Committee. But all of us have our responsibilities to perform——

Mr. STANS. I understand very well, Senator.

Senator INOUYE [continuing]. Under difficult circumstances. Thank you very much, Mr. Secretary.

Thank you, Mr. Chairman.

Senator ERVIN. Senator Baker.

Senator BAKER. Mr. Stans, there is still, after 6½ years in the Senate, some remnant of lawyer in me. I was trained in that profession and practiced law for 19 years as you were trained to be an accountant and public servant.

It is axiomatic, I believe, that the stronger a witness and the more logical and knowing his testimony, the more difficult it is to test that testimony, and to try to establish the areas of conflict—if there are areas of conflict—and the opportunity for corroboration—if there are areas of corroboration.

All of this is by way of preface to saying that the questions I am going to put to you should not be interpreted as antagonistic nor implying disbelief, but rather, at least, a former lawyer's effort to test some of your testimony against the testimony of other witnesses that have appeared before this committee, interviews that have been conducted by the staff on behalf of the committee and the circumstances in general. So, for the purpose of this inquiry, it is important that you understand, the committee and others understand, that the extent and scope of examination or the determination to dig for facts does not infer disbelief in the testimony but rather as a legal device to try to establish the circumstances before this committee. I am sure you understand it.

Mr. STANS. I understand, Senator.

Senator BAKER. I would like to start, if I may, by establishing according to your records the number of times, the occasions, and the circumstances when you met and conferred with any of the so-called Watergate principals immediately prior to the break-in into the Watergate complex housing the Democratic National Committee headquarters and the time immediately after June 17 when that event occurred.

I have here before me entries or abstracts of entires from your diary, as I understand it, and if you have that diary before you, I would request you to give your attention to these items, January 17, 1972. Can you do that for me, Mr. Secretary?

Mr. STANS. It will take just a moment. We do not have the diary with us, Mr. Senator. I believe a copy was furnished to the staff and perhaps they can help us by letting me refer to it.

Senator BAKER. Could we suspend for just a moment? Does the staff have additional copies? If you do, it would be helpful to give it to the witness and we can both go through it together. Could we have the abstract of the original diary before either one of us?

January 17, 1972, 10 a.m., an entry I can't read—it looks like "Finance Committee."

Mr. STANS. That is correct.

Senator BAKER. Were you then the chairman of the finance committee?

Mr. STANS. No, I was not.

Senator BAKER. Were you Secretary of Commerce at the time?

Mr. STANS. I was Secretary of Commerce.

Senator BAKER. January 25, 8:30 a.m., "1701 Pennsylvania Avenue (all day)."

Mr. STANS. Yes, that turned out to be an exaggeration because I did have other appointments on that day, but that is the entry.

Senator BAKER. Were these campaign-related activities? I believe 1701 Pennsylvania Avenue was the headquarters of the Committee To Re-Elect the President.

Mr. STANS. Those were related to discussions of the new law as it then stood.

Senator BAKER. The law that went into effect on April 7, 1972?

Mr. STANS. That is correct.

Senator BAKER. January 28, 9:30 a.m., the same entry, 1701 Pennsylvania Avenue?

Mr. STANS. That is correct.

Senator BAKER. January 31, "Hugh Sloan," is this Hugh Sloan, Jr., known also as Duke Sloan who appeared and testified before the committee previously?

Mr. STANS. That is correct.

Senator BAKER. February 1, 4 o'clock, "Finance Group Arden," as I can read the entry.

Mr. STANS. Did you say February 4?

Senator BAKER. I am sorry, February 1, 4 o'clock is the entry apparently—4 p.m.

Mr. STANS. Yes, that is in brackets and I take that to mean since I left for the airport at 3 o'clock that that meeting was cancelled.

Senator BAKER. February 11, 8:15, "Breakfast with R. S. at Watergate." Incidentally, of all of the synonymous phrases I could have chosen, I think I would have chosen last your description of your functions as being watertight. [Laughter.]

Mr. STANS. Touché, Senator. What is the last date you are asking me about?

Senator BAKER. February 11, 8:15, "Breakfast with R. S. at Watergate."

Mr. STANS. That had no relation to campaign matters. R. S. was Rocco Siciliano, the former Under Secretary of Commerce. I had breakfast with him.

Senator BAKER. Thank you, sir. February 14, 10 o'clock, "Sloan-Nunn redirect." I can't read the last word.

Mr. STANS. That was a meeting with Sloan-Nunn regarding direct mail solicitation of contributors.

Senator BAKER. February 15, 11:30, Tom Evans, New York.

Mr. STANS. Yes, Tom Evans was not with the campaign at that time. I would not be able to recall at the moment the subject of that discussion. He did not join the campaign until July or along in there.

Senator BAKER. February 22, 3:30, "Mitchell at Justice."

Mr. STANS. This is now after I had joined the campaign on February 15.

Senator BAKER. Can you tell us about that conversation?

Mr. STANS. I can't tell you any of the particulars. It was a general discussion with Mitchell. I think it was the first opportunity I had, after joining the campaign, to sit down and talk with him about plans in general, the spending programs, and so on.

Senator BAKER. Was there any discussion of the Watergate or related activities?

Mr. STANS. Absolutely not.

Senator BAKER. Or of intelligence gathering?

Mr. STANS. No, sir.

Senator BAKER. Or the form, matter, and type of fiscal control that would be exercised by you over campaign expenditures?

Mr. STANS. Yes, I think that was discussed because I wanted it very clear with Mr. Mitchell that we had precisely the arrangement that I have discussed here.

Senator BAKER. Did you discuss then the matter of the finance committee meeting where, as Mr. Sloan described it, I believe, there was a discussion of the authorization of larger expenditures by this committee consisting of political types and finance types. Was that discussed at the meeting with Mr. Mitchell on February 22?

Mr. STANS. Senator, I would appreciate it if you would repeat the question. I didn't quite get the point.

Senator BAKER. All right, sir.

It is my understanding that there was a committee made up of representatives of the finance committee and of the political side of the campaign that met periodically to discuss expenditures proposed or made for the campaign. Is that correct?

Mr. STANS. That is correct. It was called the budget committee.

Senator BAKER. Was the budget committee's formulation or function discussed with Mr. Mitchell on February 22?

Mr. STANS. I don't know but I wouldn't be surprised if it were because it was one of the matters of organization that was important to me at the time.

Senator BAKER. Drawing your attention to March 8, 4 p.m., "Robert," I can't read the words, "Chairman Richardson, Pres. P-r-e-s," period.

Mr. BARKER. Mr. Chairman, I think this is getting into an area where we agreed not to tread.

Senator BAKER. Then at your request I certainly shall not.

The next item is April 25 to Liddy. I will read off a list here and ask you if you can comment on this list of appointments, Mr. Stans, since they appear to be in sequence: April 25, 2 p.m., Liddy; May 1, 3:30, Liddy; May 8, 10:30; and 2 p.m., Liddy; May 23, 2 o'clock, Liddy; May 30, 10 o'clock, Liddy; May 14, 3:30, 4:30, Liddy. Since these are all Liddy appointments and they are all in chronological order, apparently, could you tell us what that group of meetings with Mr. Liddy was about?

Mr. STANS. Yes, Mr. Liddy by then was the counsel for the committee. He had been given a number of responsibilities to pursue as a regular matter. I remember some specific subjects that came up such as the contribution of a man in Chicago who wanted to give stock and we had some considerable discussions with his attorney conducted by Mr. Liddy over a period of time. I remember giving Mr. Liddy the responsibility of seeing that everyone of the national and State committees had properly registered with the General Accounting Office, had properly registered with the Treasury Department, and I was following these matters with Mr. Liddy as the general counsel from time to time, as the occasion warranted, in addition to the fact that Mr. Liddy appeared at the daily staff meetings.

In our staff meeting minutes of April 24, for example, there is an item "Liddy is to continue followup of all States not yet registered to submit a weekly list to Stans each Monday of all those not yet done."

Another item "Liddy is to furnish Stans with a legal opinion on anonymous contributions prior to April 7." He was the counsel for the committee.

I have given to the committee a number of his legal opinions in writing which indicate that he was quite active and our daily staff minutes show a number of things that were assigned to him. It was quite routine that I discussed all of these matters with him.

Senator BAKER. There was no discussion of the Watergate or of intelligence gathering?

Mr. STANS. There was absolutely no discussion of that type.

Senator BAKER. The next item is June 16, 1972, and there are two entries, one at 11:30 in the morning, I take to be "Haldeman at the White House." And the other 4 in the afternoon, "Liddy."

Mr. STANS. That was the day of a Cabinet meeting at the White House also. I can't recall specifically the purpose of my meeting with Mr. Haldeman.

Senator BAKER. Was there any discussion of the Watergate?

Mr. STANS. Oh, absolutely not.

Senator BAKER. Bear in mind, this was the day before the break-in of the Democratic National Committee headquarters. There was no mention of intelligence-gathering activities?

Mr. STANS. No, absolutely not.

Senator BAKER. Of the impending break-in later that night or early the next morning of the Democratic National Committee headquarters?

Mr. STANS. No, Senator, absolutely not.

Now, I think I did testify yesterday that I saw Haldeman a few times in the course of the year to discuss the size of the budget, the amount of money that the campaign was seeming to cost and my feeling of concern about whether we could raise that amount of money. In the absence of any other information, I would tell you that the best of my recollection is that that would be what we discussed on June 16.

Senator BAKER. What about the Liddy meeting on June 18 at 4 in the afternoon?

Mr. STANS. Well, I can give you one clue from my notations. I cannot give you any precise recollection of the sequence of discussion. But on June 14, in our staff meeting, it says "Liddy is to report to staff every 3 days on the McGaw matter"——

Senator BAKER. On the what?

Mr. STANS. McGaw, M-c-G-a-w. He is the contributor who had the legal problems in contributing in the form of stock. And there were a number of other items that were charged to Liddy that day.

"Liddy is to talk to Yeutter re problem in Kansas.

"Liddy is to follow up filing requirements of Maryland gala and D.C. dinner.

"Liddy is to follow up filing of 4804 forms by State"—that is the Treasury form.

Senator BAKER. Are these all notations from a meeting on the 14th or 16th?

Mr. STANS. These are all notations from a meeting on the 14th. They are subjects that I would assume were discussed with Mr. Liddy on the 16th, and possibly others, but certainly, definitely, positively not Watergate.

Senator BAKER. Did you see anything unusual about Mr. Liddy's attitude or conduct at the 4 o'clock meeting on the 16th of June?

Mr. STANS. No. I did not.

As a matter of fact, Senator, Mr. Liddy was in the office for another 10 days after the 17th. He attended staff meetings. I had similar meetings with him from time to time and he covered up his concerns extremely well. I had no idea that he was involved.

Senator BAKER. You have already described for the committee, under inquiry from other Senators or the staff, about how you learned of the Watergate break-in and the events immediately succeeding that. The next item after June 17, the day of the Watergate entry, is June 19, Mr. Kleindienst. Is that former Attorney General Kleindienst?

Mr. STANS. Yes, it is.

Senator BAKER. Can you tell us about that meeting?

Mr. STANS. Yes, sir. In the preceding week, I had called Mr. Kleindienst and asked for an appointment because we were having difficulties with some personalities in Arizona in setting up a fundraising program. I asked for an opportunity to see him and talk to him about those people.

Senator BAKER. You did not talk to him about the Watergate?

Mr. STANS. No. Let me go further, Senator.

We never had the meeting. He called me on the morning of the 19th and said he was too busy that day. He canceled the meeting, and I solved my problem in other ways. We never rescheduled it and I never did talk to Mr. Kleindienst.

Senator BAKER. June 23 at 4 o'clock, Mr. Liddy; and June 28 at 5 o'clock, Mr. Liddy.

Mr. STANS. The earlier of those two meetings, so far as I know, was entirely routine, related to his legal matters.

The meeting on the 28th at 5 o'clock was when Mr. Liddy stopped in the office to say goodbye. He had been discharged. He was preparing to leave the office, came in and said he was very sorry to go, and I said, "I am very sorry to see you go," and that was the substance of the conversation.

Senator BAKER. Did he protest his innocence at the time?

Mr. STANS. No, he did not.

Senator BAKER. There are a number of other entries, but there is one that I do not see on your diary, and that is the meeting with Mr. Mitchell, I believe on the 23d or 24th of June. Did that meeting occur and if so, where, when, and at what time?

Mr. STANS. There was a meeting with Mr. Mitchell on the 23d at 1:30 on my diary. It says "Lunch, Mitchell."

Now, since Mr. Mitchell never came to my office in the course of the whole campaign, it must have been in his office, because I do not recall that we ever went out to lunch.

Senator BAKER. Mr. Stans, I apologize to you. I was reading from a summary which did not show the Mitchell appointment. I am now looking at copies of the appointment book on Friday, June 23, 1972, at 12 o'clock through 1:30, it would appear. There is a notation of lunch with Mr. Mitchell. I am sorry I misinterpreted that.

It is important that we inquire into that situation, I believe, Mr. Stans, because here we are, a few days after the Watergate break-in, after you have learned from newspaper accounts or from whatever source of the involvement of people employed by your committee or by the Committee To Re-Elect the President or otherwise. Is it my understanding that you set up the meeting with Mr. Mitchell?

Mr. STANS. I do not think you should have that understanding. I do not know how the meeting was set up.

Senator BAKER. All right, sir. Who was present at the meeting?

Mr. STANS. There is no indication in my records that anyone else was present and I have no recollection on that point.

Let me say to you, Senator, this is the day in which I got my first information that the Watergate affair involved transactions with the finance committee. It was at 8 o'clock, as you see on the schedule that day, that Fred LaRue came to my office to talk about the Dahlberg check that had shown up in the records of the bank of Barker in Florida. It was at 3 o'clock in the afternoon that Dahlberg came to Washington, and at 5 o'clock that I had several meetings with Mardian and LaRue.

I am sure that the substance of discussion that day in these meetings was very largely related to that check and possibly to the Mexican checks, although I cannot recall whether that happened on the same day as the Dahlberg check.

Senator BAKER. Was there any discussion with Mr. Mitchell of the allegations being made by the press at that time of Republican involvement in the Watergate break-in?

Mr. STANS. I have no recollection of the substance of the discussions. I just cannot tell you. I had many meetings with Mr. Mitchell in the course of the time that he was with the campaign. As I said, in each case, I had a list of four, five, or six subjects we talked about that were current at the time, and I do not know which particular ones we talked about on any particular day.

Senator BAKER. This was the same day, June 23, when I believe Mr. Sloan went to the White House to, according to his testimony, tell Mr. Ehrlichman of his concerns. Do you have any information or knowledge of Mr. Sloan's conduct on this same day?

Mr. STANS. Well, shortly before 10 o'clock on this day, Mr. Sloan shows on my calendar as having met with me. It was at that time that he gave me his accounting for the cash funds and that we discussed. I believe, the disposition of the balance that he had on hand. I am not aware and was not aware at that time, of his discussions with Mr. Ehrlichman or others and I learned about them from reading his depositions.

Senator BAKER. Did you have a meeting with Mr. Mitchell on the 24th of June?

Mr. STANS. The 24th was a Saturday. I had no recollection of any meeting with Mr. Mitchell and my record does not show any. I had several other meetings on that day. I was in the office, apparently, a good part of the day, until, at least until early afternoon, but I have no recollection or record of a meeting with Mr. Mitchell on that day.

Senator BAKER. Did you have a meeting with Mr. Magruder on the 24th?

Mr. STANS. Similarly, there is no record of it and I have no recollection of it.

Senator BAKER. Was there a series of meetings on the 24th with Magruder, Dean, Mitchell, or any of the major figures in the campaign or finance situation at that time, on the 24th? I think it is important that you try to recall as best you can, Mr. Stans.

Mr. STANS. Well, Senator, I have no recollection. I can only go by what my record shows and I do not want to be unfair, but I would like to know what you did on March 24, 1972. I think you would have a hard time remembering.

Senator BAKER. I am certain I would.

Mr. STANS. And I talked to people like John Mitchell a great many times in the course of the campaign and I have no doubt that some of them did not get on my time sheets.

Senator BAKER. I think it is worth digressing long enough to say that anyone would have difficulty establishing what they did on a particular day, but these are not ordinary and usual circumstances.

Mr. STANS. Correct.

Senator BAKER. And we are dealing here with your best efforts to reconstruct what happened at a critical time and juncture in these proceedings. Now, that is why I urged you to give particular and careful attention to what happened on June 24 with respect to, meetings or conversations less formal than meetings with any of the principals in the so-called Watergate affair.

Mr. STANS. I have tried my best to reconstruct that situation. I have gone through all correspondence and memorandums with all of the principals that have been discussed in connection with this matter, and to the extent that they refresh my memory, I have testified to them but I would have to say that I had many meetings with the people that I considered quite routine.

I can only say to you with absolute finality that I did not discuss any espionage or sabotage operations with anyone prior to June 17 and I really did not learn about them except as I learned about them in the public press.

Senator BAKER. That anticipates most of the questions I could ask on that subject with the exception of one thing. That is with whom did you discuss the Watergate so-called coverup after June 17 and when did you do it?

Mr. STANS. I did not discuss the Watergate coverup with anyone after June 17 and I did not know there was a coverup until I read about that in the press.

Now, I know of incidents that obviously, in the light of subsequent events, had a relationship to the coverup. For example, the $75,000 that I gave to Kalmbach, I gave it to him in good faith, with no knowledge at the time, and I am sure that when Mr. Kalmbach comes before this committee, he will testify that he did not tell me what the purpose of the money was for and would not tell me what the purpose of the money was for. But except for an incident of that type, I had no knowledge of a coverup activity that may have taken place.

Senator BAKER. Did you, Mr. Stans, at any time in June 1972 discuss with Mr. Mitchell, Mr. Sloan, Mr. Magruder, Mr. LaRue, Mr. Ehrlichman, or Mr. Haldeman, what happened on the morning of June 17 at the Democratic national headquarters in any way?

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Mr. STANS. Some of those people whom you mentioned I had no contact with at all during the year. For example, John Ehrlichman, so far as I can tell from my records, did not meet with me during the entire year. As to the others, I had no discussion on the Watergate affair except the normal curiosity of discussion about news stories.

Now, let me put that in another perspective. To the extent that the finance committee was involved in the news stories, it related to the Dahlberg check, the Andreas contribution, the Mexican checks, and the names of our contributors and matters of that type. These are the things that occupied my mind and Mr. Sloan's mind, the activities of the finance committee insofar as they related to public affairs during that period. We were not involved, I made it very plain to the campaign people, the finance committee people were not involved in the Watergate affair, and there were no discussions about who did what, or why, or when, that I can recall at any time.

Senator BAKER. At any time?

Mr. STANS. At any time, until the events were reported in the press.

Senator BAKER. Well, after the events were reported in the press—I do not want to keep knocking down the limitations that you seem to be placing on this, but at any time after June 17, 1972, regardless of when, at any time until this moment, had Mr. Sloan, Mr. Magruder, Mr. LaRue, Mr. Mitchell, Mr. Haldeman, Mr. Ehrlichman attempted to tell you what happened vis-a-vis the Watergate break-in on June 17? Or the President?

Mr. STANS. Not at all. The issue of culpability, which I think is what you are getting at, was never discussed with me by anyone.

Senator BAKER. No; I am not really trying to get at culpability, I am trying to get at communication. I guess another way to put it, Mr. Stans, is did you gain all of your information about the facts and circumstances that related to Watergate from newspaper accounts, or did one of those gentlemen that I have identified and I will identify again—Mr. Sloan, Mr. Magruder, Mr. LaRue, Mr. Ehrlichman, Mr. Haldeman, Mr. Mitchell—did any of them at any time until this moment tell you what happened at Watergate? Or Mr. Liddy or the President?

Mr. STANS. My answer to that is "No."

Senator BAKER. Thank you.

Mr. Stans, can you offer the committee now or at a later date—and I know it is extraordinarily difficult to offer negative testimony or or negative proof—but can you offer the committee any other suggestions on how we might inquire into the meetings and your relationships to them with these people that I have named—Mr. Ehrlichman, Mr. Haldeman, Mr. Dean, Mr. Magruder, Mr. Sloan, Mr. Mitchell? I am thinking, for instance, of meetings at which other people were present so that we could verify or dispute this information. I am thinking of other records, memorandums, or data that you might know of that could buttress your accounts. I apologize once again for asking you to try to prove a negative fact, but if there is other and collateral information, I think the committee would like to have it.

Mr. STANS. Senator, we have made available to the staff of the committee all the files. They have examined my personal files; they have all of the correspondence and memorandums that passed between me and the individuals you have named. I have given you the best of my recollection on the various matters that I have been asked

about, and I think from here on out, the answer is that it is up to the other witnesses that you are going to call to tell what they know about it.

Senator BAKER. Thank you, Mr. Stans.

One or two other questions, Mr. Chairman.

Senator Inouye asked you about the conversation with Mr. Hugh Sloan in which, according to Mr. Sloan, you told him when he inquired about what was going on, or something to that effect, "I don't want to know and you don't want to know." My recollection of your answer to Senator Inouye's question was that you indicated a similar response, something to the effect that, I do not know and you do not want to find out, or something to that effect.

Either version of that, Mr. Stans, I think creates an inescapable curiosity on the part of this member of the committee.

Why not? Why didn't you want to know or why didn't you want him to want to know?

Mr. STANS. In the context in which the statement was made, which was the context of the overall campaign, there was no basis by which we could attempt to know the commitments made by the campaign people. And I think this is the place for me to go back to the budget and tell how it was operated, because I think there may be some members of the committee and perhaps the public who think that in the budget committee meetings, we talked about whether or not we were going to spend $25,000 with this organization or $100,000 with that organization for a certain purpose. We never discussed in the budget committee meeting where money would go, and I have furnished the staff a copy of the budget which shows how it was broken down.

The first item is "Advertising, $12,153,000."

Now, within that, we might discuss whether some of that was going to go to billboards, and the conclusion was that there would be no billboards. There may have been and there were discussions about how much to television as against radio, but not which station or even at what time.

"Campaign Materials" was another item in the budget, $1½ million. This was for the buttons and bumper strips and things that are part of a campaign. But there was never any discussion in the budget committee about who do we buy these from or when do we get them delivered, that sort of thing.

There was an item in the budget of almost $7 million entitled "Research and Planning, Direct Mail, and Telephone Operations."

Now, $4½ million of that was for direct mail and $1.9 million was for telephone operations. The discussions in the budget committee were about which States shall we use for direct mail, and in this, the campaign committee made the decisions.

There were discussions in the budget committee about which States shall we use telephone operations in. There were questions raised such as, why do you need to have three pieces of direct mailing to every householder in California; why couldn't you do it with two?

Senator BAKER. Is this, Mr. Stans, what Mr. Odle probably was referring to when he answered in response to Mr. Thompson's question on page 33 of the Odle testimony—

With regard to Mr. Stans, was his role limited to raising money or did Mr. Stans also participate in the decisions as to how money would be allocated?

Mr. ODLE. I think that Mr. Stans in the budget meetings certainly kept an eye on where the money was going. He sometimes challenged expenditures. He would say, for example, do we really need to spend this money on television advertising this week?

Is this the kind of thing you are describing?

Mr. STANS. That is the kind of thing I am describing and that is the way in which the budget committee operated. At some times, a concession would be made that we would take $100,000 out of polling and put it into candidates support, for example, but I was never successful in getting any reductions in the budget despite my letter of May 10 to Mr. Mitchell, which is before us, despite all of my pleas, despite the fact that I got quite irate at times, despite the fact that I said, I don't think we can raise that amount of money. We were against an upward situation and the ultimate, as I said yesterday, was in excess of $50 million that was spent.

Senator BAKER. Mr. Odle also testified, and according to the transcript, that "I would say that in budget committee sessions, his agreement"—meaning your agreement—"was necessary before we could allocate a great deal of money, say for television advertising the following week; yes, those kinds of major decisions."

Is that essentially correct?

Mr. STANS. That is essentially correct, and in principle it is the basis on which we operated.

Senator BAKER. What about that $350,000 that went to the White House? Did you have to approve that?

Mr. STANS. Well, that came up before the budget committee, I believe, had any effective operation, and as I testified yesterday, I knew that the subject was under consideration. I learned shortly after that the money had been paid to the White House; I had no objection to it; I would have approved it had I been asked about it; and the minor difference in recollection between me and Mr. Sloan as to whether I approved it in advance or later is, I think, immaterial.

Senator BAKER. Mr. Stans, you testified, I believe, that the $350,000 for the White House was intended for, as you understand it, polling costs, polling operations, and other things. Why on earth—cash would be the most awkward way on earth to take care of something like that. Why wouldn't a check have been sent, an account against which the White House could draw from those funds?

Mr. STANS. Well, I think this is a question that might well be worth asking of other witnesses but I do understand that the White House, and I get some of this from Mr. Haldeman's testimony and depositions, that the White House wanted to do some polling on its own to check on the reports that it got from the campaign committee as to issues and findings in certain States and they wanted to do it without the knowledge of the regular polling organizations that were being used by the campaign committee.

Senator BAKER. Mr. Stans, let me, in the interest of time, with a full understanding you are going to return and testify later on other matters more intimately related to the structure of campaign financing, let me ask you a final question: In retrospect, and hindsight is always 20–20, can you see any reason why we should not eliminate cash transactions from the political system?

Mr. STANS. Well, we had that question just a minute ago. I think when you say eliminate cash transaction in just those words, you will

run into a lot of trouble because you will even eliminate petty cash funds for paying $3 for the delivery of a parcel—something like that.

I think also the committee ought to inquire into the circumstances of whether or not under certain conditions of elections, for example, it is necessary for people to have cash funds to pay certain types of expenses to get people to the polls, and that sort of thing.

But as a finance chairman in the past, never again, I would have welcomed that kind of legislation because it would have eliminated an awful lot of the questions.

Senator BAKER. It would have made it a lot easier for you to account for the income and outgo, wouldn't it?

Mr. STANS. Not necessarily easier but just easier to eliminate the suspicions that seemed to be associated with people paying in cash even though it is legal tender.

Senator BAKER. I can't help but note your voluntary statement that you will never be a finance chairman again, I understand you didn't want to be this time.

Mr. STANS. That is entirely correct.

Senator BAKER. And I take it nothing has happened to change your mind? [Laughter.]

Thank you, Mr. Chairman.

SENATOR ERVIN. Senator Talmadge.

Senator TALMADGE. Mr. Stans, I have had the pleasure of knowing you for a great number of years. Your career is one of the most remarkable success stories in the history of America: humble origins, a hard working young man, certified public accountant at the age of 23 years, highly successful businessman, Secretary of Commerce, Director of the Bureau of the Budget and, finally, the most effective money raiser for any political campaign in the history of the country. My questions may be viewed as antagonistic but I don't want you to think of them in that vein because I, too, am merely seeking facts which I think the American people are entitled to know.

You, of course, are well acquainted with Mr. Sloan.

Mr. STANS. Yes, I am very well acquainted with Mr. Sloan.

Senator TALMADGE. He testified before the committee last week and there are certain direct contradictions between your testimony and Mr. Sloan's. I thought Mr. Sloan was an articulate, able, and effective witness. How do you regard Mr. Sloan's character?

Mr. STANS. I would like to say something about that and I welcome the opportunity to talk about that. I consider Mr. Sloan a man of very high character. He is able, he is a brilliant person. We worked very closely together all through the time that he was associated with the committee.

I had known him in 1968 when he worked on our campaign. He is also sophisticated. He has spent more time in fundraising than I have perhaps by a factor of two. He was in this campaign before I was, and I don't consider it significant that there are a few matters on which our remarks differ. We have agreed on almost everything that we have testified about. There has been no disagreement in our testimony except on two or three points. I think perhaps it would be a matter of suspicion if there weren't some disagreements between us.

But the basic fact is that we do have high respect for each other. We worked very closely together, and I want to repeat what I have

said before: the finance committee, in its isolation from the campaign, had nothing to do with the events that you are investigating in this hearing. Except for Mr. Gordon Liddy who was with us a relatively short period of time, who was transferred over under circumstances which have been described here, I am convinced that neither Mr. Sloan nor anyone else connected with the finance committee had any knowledge of these events.

Senator TALMADGE. You would believe Mr. Sloan under oath?

Mr. STANS. Pardon me.

Senator TALMADGE. You believe Mr. Sloan's testimony under oath?

Mr. STANS. I would believe Mr. Sloan's testimony under oath except in the few cases in which his recollection is slightly different from mine.

Senator TALMADGE. It went substantially beyond recollection, I may say. I think at one point he said you would have to check it with Mitchell, $83,000 payment to Mr. Liddy, you deny that, don't you?

Mr. STANS. Oh, no.

Senator TALMADGE. You did check it with Mr. Mitchell?

Mr. STANS. I did check with Mr. Mitchell on the principle of whether Mr. Magruder had authority to tell Mr. Sloan to make payments to Liddy. I did not check with Mr. Mitchell on the amount.

Senator TALMADGE. Mr. Mitchell authorized the payment?

Mr. STANS. Mr. Mitchell—no; he did not authorize the payment. He said that Mr. Magruder is the man to talk to. "Mr. Magruder is running the campaign and he is directing the expenditures."

Senator TALMADGE. After talking with Mr. Mitchell, you told Mr. Sloan to make the payments?

Mr. STANS. No, sir. After talking with Mr. Mitchell, I told Mr. Sloan to check with Magruder to see whether he should make the payment and Mr. Magruder said—and Sloan said he had already talked to Magruder.

Senator TALMADGE. You deny also that you told Mr. Sloan about $83,000 to Mr. Liddy, that you didn't want to know and he didn't want to know what it was going for?

Mr. STANS. No, Senator, I don't deny a discussion on that subject. I said two things: one, that it was not the whole conversation. Second, that I am not sure the words are entirely accurate, and Mr. Sloan himself has said, last week what I said here today, that that remark was made in a context of total frustration with the campaign people, and it was not related solely to the question of the payment to Mr. Liddy.

Senator TALMADGE. I believe you verified in the question asked by Senator Baker Mr. Odle's testimony which was that your position on the budget committee was to maintain the expenditures at an economical level?

Mr. STANS. To try, yes.

Senator TALMADGE. To try.

Did you ever question why staff members such as Mr. Liddy and Mr. Porter, Mr. Magruder were drawing off large sums of money?

Mr. STANS. Well, I never knew that Mr. Magruder had drawn any money until long after it happened.

With respect to Mr. Liddy, I knew that he had been drawing some sums of money. I understood they were relatively small. It had something to do with the primary campaigns and that was the situa-

tion up until Mr. Sloan came to me with the statement that Mr. Liddy had asked for a substantial amount of money.

With respect to Mr. Porter, I testified yesterday that I had heard in February or along in there that Mr. Porter had a safe with a sum of money in it, that he was receiving money and disbursing it, that I objected to that, and that Mr. Porter then stopped disbursing any money. I learned last night that he did not disburse any money or receive any money during the month of April and it wasn't until sometime in May that he again received some funds. I was not aware of those payments.

Senator TALMADGE. Mr. Liddy attended 33 out of 39 staff meetings of the finance committee August 6, 1971, to June 28 of 1972. He was general counsel to the committee. He received an assignment, in fact, on June 28, the day he was fired. Doesn't it seem rather incongruous that Mr. Liddy, your general counsel, with whom you met daily, could take large sums of money and not report the use of it?

Mr. STANS. Senator, Mr. Liddy was accountable in money terms to the treasurer, not to me, and except for the limited knowledge that I had about transactions with Mr. Liddy, I had no knowledge of what he was doing with the money or how much he had gotten, and I was as surprised as many other people when I found out that he had received a total of $199,000.

Let me make a point here which has not yet been made before the committee. As I read the testimony and depositions in various civil suits the program for Liddy to receive $250,000, if it was approved by anyone, was approved in March and apparently the $83,000, which happens to be exactly one-third of $250,000, was paid to Mr. Liddy, if it was paid to him, early in April.

The testimony indicates if you take into account the other money that Mr. Liddy received, and the money given to him by Porter, that he had spent $125,000 before that, before the Watergate espionage program was approved. I have no idea what that was for, I had no idea until I did the arithmetic that that was the case. But it would seem to me that, and this answers one of Senator Baker's questions, that this is one area of the investigation that no one seems to know anything about.

Senator TALMADGE. Where in the budget did this program for Mr. Liddy appear?

Mr. STANS. There was no item in the budget for the program of Mr. Liddy that is identifiable. If the people who made the budget had it in mind I do not know what item it would have appeared in.

Senator TALMADGE. You testified yesterday, did you not, Mr. Sloan told you on July 12 that he was approached by Mr. Magruder and asked by Mr. Magruder to minimize the amount of money that he had disbursed, is that correct?

Mr. STANS. I am not sure that I referred to the date of July 12 but I was told by Mr. Sloan that that had happened and that he had—had told Mr. Magruder and others that he was not going to do so.

Senator TALMADGE. Did that not raise suspicions in your mind as a possible illegal or unethical use of the money that Magruder was disbursing?

Mr. STANS. Senator, you do not mean Magruder, I take it. Could you rephrase the question?

Senator TALMADGE. Mr. Stans, did that not raise suspicions in your mind as to the possible illegal or unethical uses of the money that Mr. Magruder was disbursing?

Mr. STANS. No question about that but those suspicions began to generate earlier than that, particularly on June 28 when Mr. Liddy was discharged for failing to cooperate with the FBI.

Senator TALMADGE. Did you testify yesterday in effect that your whole purpose was raising money, that you did not take care of small detailed items?

Mr. STANS. That is pretty much true. I will not say that at times I did not get into detail. One is always forced into that but my job was to raise the massive amount of money that I could see was going to be spent.

Senator TALMADGE. I will ask the staff to give each member of the committee and the witness and the court reporter a copy of these documents for the purpose of identification.

Show Mr. Stans one, please, immediately, so he can be refreshing his memory.

Mr. STANS. Yes; I remember these memorandums.

Senator TALMADGE. That is a document you wrote, both pages?

Mr. STANS. Yes.

Senator TALMADGE. Mr. Chairman, I ask that they be inserted in the record at this point and appropriately marked as an exhibit.

Senator ERVIN. Let it be marked as an exhibit and received.

[The document referred to was marked exhibit No. 30.*]

Senator TALMADGE. I will read part of it.

"It will be necessary for us to establish a system of control over the purchasing and distribution of all articles, such as bumper strips, banners, pins, jewelry, and so forth," other details there. Page 2, "I think we need a lapel pin for our 1972 contributors," et cetera. Would that not indicate to you that you had more than a casual interest in the operations of the campaign?

Mr. STANS. Let us take them one by one, Senator.

The question of accounting for the sale of articles like jewelry and pins and so forth was a new one. We never did that in previous elections, we did not do it in 1968. It was customary for people running a store front location to get jewelry and sell it and put the proceeds into some purpose locally.

The new law changed that. It required us to account for every dollar of receipts, and being aware of that I told Mr. Sloan by this memorandum in the second paragraph, "I would appreciate it if you would work with the campaign people in setting up a procedure for 1972."

Now, I did not consider, I do not consider, this a detail. I consider it a rather important element in our responsibility to account to the General Accounting Office.

Senator TALMADGE. Now, that was dated February 28, 1972, was it not?

Mr. STANS. That is correct, sir.

Senator TALMADGE. More than 2 months before the new accounting procedure contributions and disbursements went into effect April 7, 1972?

Mr. STANS. About 5 weeks, Senator, yes.

* See p. 906.

Senator TALMADGE. Five weeks. Why would you consider going into the matter of bumper strips and banners and pins and jewelry and so forth, and there on that board is over $1 million in cash disbursements unaccounted for?

Mr. STANS. I did not get the question, Senator.

Senator TALMADGE. The question is [laughter] why were you spending all your time worrying about bumper strips and right there on that board you have got deposits of $750,000 and disbursements of $1,777,000? You are considered to be one of the most able certified accountants in America, why did you worry about bumper strips instead of those funds?

Mr. STANS. Well, Senator, I suppose this is argumentative, I worried about bumper strips and jewelry. The accounting for proceeds of sales of articles was an important responsibility under the statute, Now, most of this material on the chart, as we have already learned happened before April 6, only a few items on there happened after April 6, and there was no responsibility under the law on the Treasurer to account for that money but he was accountable for the proceeds of sales of any jewelry or items of that type.

Senator TALMADGE. And didn't you send out an interoffice memo on May 3 stating that you were greatly concerned that thank you letters to contributors be sent out within 48 hours of the receipt of the contribution?

Mr. STANS. Yes, sir, I did consider that a very important function of the fundraising effort to see that people were thanked very promptly.

Senator TALMADGE. I will ask the staff to show Mr. Stans a copy of the next document, and give a copy to each member of the committee staff, and I want to insert that into the record appropriately numbered and marked the next exhibit.

Senator ERVIN. Let the document be entered as an exhibit and marked with the appropriate number.

[The documents referred to were marked exhibit No. 31.*]

Senator TALMADGE. Mr. Stans, do you admit writing that memorandum also to Mr. Sloan?

Mr. STANS. Yes, sir, I do.

Senator TALMADGE. In that you still are chastising Mr. Sloan because he did not deposit a check, I believe, for $1,000 from Mrs. Alice Abel promptly enough, and get out a thank you letter promptly enough. Is that the sum and substance of it?

Mr. STANS. Well, the sum and substance of it, Senator, is that I received a check from this lady and—while I was in Omaha on May 12—for some reason it did not appear on the sheet listing the contributions until June 1.

Now, I did receive from Mr. Sloan every day a report of the contributions received, and when I found out that that check hadn't appeared on the report for 2 weeks as having been received, I was concerned because it related to the question of whether we were behind in all of our work in his shop. His reply was very clear that the check was improperly made out or returned for appropriate endorsement and deposited. I was not checking on a routine involving one transaction. I was checking on whether or not the thank you letters were being kept up to schedule.

* See p. 908.

Senator TALMADGE. Then that raises this question, Mr. Stans: Why did you allow Mr. Sloan, contrary to your explicit instructions, to casually report to you only several weeks later the deposit of the $25,000 check received from Mr. Dahlberg and $89,000 check in Mexican bank checks?

Mr. STANS. Well, Senator, I fairly well covered that in my testimony yesterday.

The fact is that I was not aware that the Mexican bank checks had even been received until I got back from my vacation around the 24th of April. The fact also is that the record shows that, before I went on that vacation, I left a memorandum of things to be done by the staff, and one of the items was a request for Mr. Sloan to balance up his cash as soon as possible.

Now, Mr. Sloan had given those checks to Mr. Liddy, he followed up with Mr. Liddy and I think his testimony is that he followed up several times, and Liddy said, "It takes time to get that money back."

Mr. Sloan did get the money back in early or mid-May and deposited it.

I think the followup was as thorough as we could have expected it to be.

Senator TALMADGE. But you got the Dahlberg check personally, I believe, did you not?

Mr. STANS. Yes, it went through my hands, and I had it for a short time on the 11th of April.

Senator TALMADGE. Mr. Stans, are you telling——

Mr. STANS. I think, Senator, what you are bringing out is the difference in the function between the chairman and the treasurer. I raised the money—he had no part in soliciting contributions. He did the bookkeeping and the accounting and I had no part of that, and once I turned a check over to Mr. Sloan, I had every reason to assume that it would be handled in due course and only when I learned abouth things that were not handled in due course—as that Abel check—did I raise questions with Mr. Sloan about it.

Senator TALMADGE. Are you telling us, Mr. Stans, that as a certified public accountant, a member of the Accountants Hall of Fame, former Secretary of Commerce, and who further had been personally selected by the President to be the Director of the Budget and director of the committee to raise $50 million for his reelection campaign you intended all this money to be spent without any of your supervision and control?

Mr. STANS. No, I am not telling you that at all, Senator. I did exercise some supervision and control. I got a daily report of all the contributions received which I looked over every day. I indicated to the extent that I knew people personally their first names so that the letter of acknowledgement and appreciation would be a first-name basis.

I got reports from time to time, I had a daily staff meeting, I saw the summaries of the reports that were filed with the General Accounting Office. So I did exercise supervision but I did not, Senator, have anything to do with the day-to-day work of the treasurer's office.

Senator TALMADGE. Now, you realize that the reporting act went into effect on April 7, 1972, do you not?

Mr. STANS. That is correct.

Senator TALMADGE. And a very stringent law?

Mr. STANS. Yes, sir.

Senator TALMADGE. Tell us why you didn't report this Dahlberg check from Florida. I don't believe you got it until the 10th of April, did you?

Mr. STANS. Senator, I covered that in great detail yesterday; I will be happy to review it again today. Because I think it is important that everybody understand. This was a contribution which was promised by Mr. Dwayne Andreas in March and before, and in March he went to the trouble of getting the money in hand.

Senator TALMADGE. I don't think you need to repeat that testimony because you made that clear. But how do you consider that it could avoid being reported when the check didn't get to you until the 10th of April, do you take the position that it was constructively received before you got it?

Mr. STANS. No, sir, I take the position that it qualified under the definition of the contribution of the Federal Corrupt Practices Act, and I would like to read the definition to you.

"The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement to make a contribution whether or not legally enforceable."

Now, Mr. Andreas had made a promise, an agreement, to make a contribution well before April 7. He had not only done that, he had gone to the point of doing everything he could personally to make the money available as a contribution.

It was clear to me and it was clear to lawyers with whom I consulted; that that contribution was received as a matter of law before April 7 even though it didn't come into our hands until the 11th and, Senator, the Department of Justice has agreed with us in a letter of January 11, 1973, from Henry Petersen, the Assistant Attorney General to Wright Patman. It says:

> The issue to be resolved is when the gift became effective as a matter of law. From the evidence developed we are forced to conclude that for criminal purposes, at least, we cannot prove that this contribution had been made after the April 17 effective date of this act and, accordingly, have closed the matter.

Now, Senator, I fail to find any basis for criticism in the handling of that transaction. I acted on the basis of legal advice and it turns out that my legal advice was good.

Senator TALMADGE. You do not think a promise to contribute to a political campaign is legally enforceable, do you?

Mr. STANS. No; but the statute says that it does not have to be legally enforceable.

Senator TALMADGE. I thought the statute said the receipt had to be reported, even though the promise of the agreement does not have to be.

Anyway, we will not argue about that further, but my certified public accountant would certainly hold me to a greater degree of accountability than you would, I believe.

Mr. STANS. Let us go a little further into that, Senator, because you have raised it and I think it is important that this be understood.

As of April 7, we had millions of dollars of commitments from people to contribute. Many of these had been solicited by Mr. Kalmbach as early as 1971. I could have, under a literal construction of this law.

concluded that every one of those did not need to be reported when the money came in, because it was a commitment before April 7. But I adopted a very much stricter standard for the purposes of accounting and it was that only in the case of a commitment where the individual contributor had done everything possible to hand it to us would I consider it a contribution under the second part of this definition. Mr. Andreas had done everything. He wanted to make the contribution. He had it in hand. He put it in a safe deposit box for Mr. Dalberg in his name. It would have been very unfair to him, it seems to me, not to consider it so.

Senator TALMADGE. I will not quarrel with you further about that, Mr. Stans. You have been a man that I have admired greatly over a long period of time. But it strikes me as being literally inconceivable that you could spend the largest part of your time worrying about pen labels and bumper stickers and not worrying about what happens to large sums of cash that are being disbursed by these people for unknown causes, particularly when the law is clear on stringent reporting of disbursements.

Mr. STANS. Well, Senator, with the greatest of respect, that is really not what I said. I worried about all of these things. I devoted my time to them, I gave consideration to the handling of the accounting for these various items. Mr. Sloan and I discussed them over and over again and we exercised our best judgment on the basis of advice of counsel.

Senator TALMADGE. Thank you, Mr. Stans.

Thank you, Mr. Chairman. I have no further questions.

Senator ERVIN. The committee will stand in recess until 2 o'clock.

[Whereupon, at 12:05 p.m., the hearing was recessed, to reconvene at 2 p.m., this same day.]

AFTERNOON SESSION, WEDNESDAY, JUNE 13, 1973

Senator ERVIN. The committee will come to order.

I am going to ask the witness questions about the exhibit testified to by the witness, Sloan, entitled "Transactions as of April 7, 1972, cash deposits and disbursements including committed items." This has already been entered in the record as exhibit No. 20* and I ask that this copy be handed to Mr. Stans.

This represents, as I understand, what Mr. Sloan, the Treasurer of the Finance Committee To Re-Elect the President, testified was the cash receipts of the finance committee down to April 7, 1972, plus such portions of those receipts that had been submitted for various purposes.

If my arithmetic is correct, this shows the total cash receipts in excess of $1 million—approximately $1,777,000, is that correct?

Mr. STANS. That is the figure on the statement, yes, sir.

Senator ERVIN. Well, is it a correct figure, approximately?

Mr. STANS. So far as I know from information that I have acquired during the entire course of my chairmanship of the committee, it is approximately correct.

Senator ERVIN. Yes.

Now, it shows that of this amount $750,000 was deposited, leaving $1,027,000 of which Mr. Sloan testified he gave approximately an item

*See p. 891.

of $10,000 to Nofziger, an item of $15,000 to Stone which may have been paid by checks rather than cash, leaving cash disbursement of $1,002,000. Is that approximately correct?

Mr. STANS. That would be the correct arithmetic, yes, sir.

Senator ERVIN. Now, this committee has authority under Senate Resolution No. 60 to investigate every campaign contribution made in connection with the Presidential campaign of 1972 or any campaign preceding it. If this committee would call on you as chairman of the Finance Committee To Re-Elect the President for a statement of the persons who contributed this approximately $1,777,000 to the committee, could you give us such a statement?

Mr. STANS. Mr. Chairman, I would tell you that $233,000 of it came from Mr. Kalmbach from the 1968 money that he turned over to the committee, and approximately $1,500,000 came from contributors, and given a little time I could, I believe, continue the reconstruction I have underway as to who gave the rest of the money. I believe that I could tell you where that money came from. From various records, from discussions I have had with people, from my own recollection and others I have been reconstructing that detail of figures over a period of time.

Senator ERVIN. Well, are the records now in existence without having to have them reconstructed that would disclose the names and amounts of each contributor?

Mr. STANS. There are a considerable amount of records now in existence that would show that, yes.

Senator ERVIN. Why are there not complete records in existence that would show that?

Mr. STANS. Well, at one time, Mr. Chairman, some of the records were removed from the committee's files and destroyed.

Senator ERVIN. Why were they destroyed?

Mr. STANS. They were destroyed because there was no requirement that they be kept, and insofar as contributors were concerned we wanted to respect the anonymity that they had sought and that they were then entitled to under the law. We are talking now about contributions before April 7, 1972.

Senator ERVIN. Were they destroyed before or after the break-in?

Mr. STANS. They were destroyed after the break-in and I would insist, Mr. Chairman, that there is no relevance between the two.

Senator ERVIN. Well, in other words, you had no desire to hide the records?

Mr. STANS. No; may I make the point here——

Senator ERVIN. Destroy and hide them?

Mr. STANS. Mr. Chairman, Mr. Sloan's accounting for these funds were given to me on June 23. The only reason it was on June 23 was that he was waiting for Mr. Kalmbach to come back from Europe to check the figure of amounts paid to Mr. Kalmbach. This statement was ready by Mr. Stone several weeks before the Watergate affair, and he tendered it to me, and I said I did not want it until he had checked out the figures with Mr. Porter, Liddy, and everyone else as to how much they had received.

Senator ERVIN. Well, those figures merely gave a summary of the totals, did they not?

Mr. STANS. Yes; that is right.

Senator ERVIN. They did not contain any record of the names and amounts, the names of contributors and the amounts of contributions, and it did not contain any records about how the funds were disbursed and used, did they?

Mr. STANS. There are records that show the amounts of the contributions and I have been able to verify and reconstruct most of those. The only thing that is missing——

Senator ERVIN. I am not talking about the reconstruction, I am talking about the record that Mr. Sloan gave you on the 23d of June, 6 days after the break-in.

Mr. STANS. That record, Mr. Chairman, to the best of my recollection, I destroyed.

Senator ERVIN. You did destroy it?

Mr. STANS. Yes.

Senator ERVIN. And you swear upon your oath that there is no connection between the destruction of these records and the break-in of the Watergate or any fear that the press or the public might find out from these records what the truth was about these matters?

Mr. STANS. Well, let me speak only with respect to myself. I will say to you that there was no connection between my destruction of the summary sheets given to me by Mr. Sloan and the Watergate affair.

Senator ERVIN. Well, it was quite a queer coincidence, was it not?

Mr. STANS. It would——

Senator ERVIN. Rather a suspicious coincidence that the records which showed these matters were destroyed 6 days later.

Mr. STANS. Mr. Chairman, the adjectives are yours.

Senator ERVIN. Sir?

Mr. STANS. The adjectives that you are using, queer coincidence and suspicious.

Senator ERVIN. Don't you think it is rather suspicious?

Mr. STANS. No; I do not think so, Senator.

Senator ERVIN. Do you think it is normal in this kind of thing to expect people who had records concerning outlays of campaign funds, to destroy those records after five men are caught in an act of burglary with money that came from the committee in their pockets?

Mr. STANS. On April 6 I asked Mr. Sloan to build up the records of all the contributors and he did so. I asked him on April 10 before I left on my vacation to balance out his cash account. He did both of those things pursuant to my requests.

Now, the fact that they came to me after the Watergate was pure and innocent coincidence.

Senator ERVIN. Well, why did you destroy the records?

Mr. STANS. For the reason I have already said, Mr. Chairman.

Senator ERVIN. Well you not only destroyed the prior April 7 records but you destroyed the records Sloan made you on June 23, after the Watergate break-in.

Mr. STANS. I do not know what you mean by destruction of prior records.

Senator ERVIN. Well, do you not know that Mr. Sloan destroyed his records as treasurer?

Mr. STANS. Mr. Sloan only destroyed, to the best of my knowledge, one book of accounts as treasurer and that he did according to his own testimony on the instructions of Mr. Kalmbach.

Senator ERVIN. And that was the only book of accounts he had, wasn't it?

Mr. STANS. No, he had hundreds of books of accounts.

Senator ERVIN. Did you see them?

Mr. STANS. I have seen some of them since. I never saw the books of accounts during the time they were being created.

Senator ERVIN. Mr. Stans, do you not know that the records he destroyed were the only original records he had in respect to these cash accounts?

Mr. STANS. The record that he destroyed was so far as I know the only original record he had of these cash transactions, that is correct.

Senator ERVIN. Yes. [Laughter.]

Mr. STANS. But, as I said we have been able to—Mr. Sloan has been able to—reconstruct the expenditures by the accounts that you have before you and I have been able to reconstruct the contributions and we can account for the money I believe, quite accurately.

Senator ERVIN. You have reconstructed the totals of the expenditures. You have not reconstructed any records which show for what items these expenditures were made, have you?

Mr. STANS. Now, Mr. Chairman, Mr. Sloan has reconstructed this list of expenditures, and I do not know the items for which these expenditures were made. I have testified to that.

Senator ERVIN. Well, don't you think it was very unwise on Mr. Sloan's part to destroy the only original records the committee had of cash amounts received and expended?

Mr. STANS. I didn't get your question, Senator.

Senator ERVIN. Don't you think that it was very unwise on the part of Mr. Sloan to destroy the only original records of cash receipts and expenditures?

Mr. STANS. There were reasons at the time. In retrospect we would have saved an awful lot of questions if we had kept them but we had reasons which we believed were valid and which were based on legal advice that we did not need to keep these records.

Senator ERVIN. Was Mr. Liddy the one who gave you the legal advice to destroy the records? [Laughter.]

Mr. STANS. Mr. Liddy was one of those who gave us legal advice.

I remind the chairman in all fairness that at the time Mr. Liddy gave us the legal advice he was in good standing as our counsel. There was no reason to suspect him in any way, and he was doing a good job as counsel. Now, I did get opinions from others including John Dean and including Rohmer McPhee.

Senator ERVIN. Why did you destroy the summary which Mr. Sloan gave you on the 23d of June?

Mr. STANS. The summary which Mr. Sloan gave me?

Senator ERVIN. Yes.

Mr. STANS. I have testified before that I had it on my desk for a few days, that I was interested in the names of the contributors because I wanted to be sure that we had a record of them. That I was interested in the balance he had on hand and that I was not interested, it was not my concern nor interest, to know who the disbursements had gone to. Mr. Sloan had balanced that all out with the people who had gotten the money.

Senator ERVIN. What I am asking you is why were you interested in destroying the things you were interested in.

Mr. STANS. Because——

Senator GURNEY. Mr. Chairman, I wonder if we can have some order in this hearing room.

Senator ERVIN. I will ask the members of the audience not to demonstrate their feelings.

Mr. STANS. For two reasons, Mr. Chairman, which I will try to explain again: No. 1, it was possible to determine at any time from remaining records and from the recollection of people who had given that money.

No. 2, under the law, as we understood it, based upon advice of counsel there was no requirement that we keep these records and, as I testified yesterday the opinion of counsel was to the effect that we didn't have to keep any records before April 7 that we didn't want to. Now, we kept 99 percent of our records.

Senator ERVIN. Except you kept no records of the cash receipts and expenditures.

Mr. STANS. That is not quite correct, Mr. Chairman. We have kept some records and we have been able from those records to reconstruct what has happened.

Senator ERVIN. Well, why destroy your previous records and why destroy your subsequent records and reduce yourself to the necessity of reconstructing something that you already had and destroyed?

Mr. STANS. Very simply, for the reason——

Senator ERVIN. It is too simple for me to understand, really.

Mr. Stans. Mr. Chairman, for the reason that we were seeking to protect the privacy, the confidentiality of the contributions on behalf of the contributors.

Senator ERVIN. Mr. Stans, was it your attitude and the attitude of your committee that the American people are not entitled to know who is making political contributions to influence the election of the President of the United States?

Mr. STANS. Mr. Chairman, if you will permit me, I would like to answer that in some detail, drawing partially on my testimony of yesterday, at which part I believe the chairman was absent. The laws in effect prior to April 7 relating to candidates for nomination did not require any reporting of any kind, did not even require any bookkeeping. We kept a lot of books nevertheless. Beginning with April 7, they did require that all contributions be reported and we made an honest and total effort to see that that was done. But with respect to people who contributed before April 7, there were two parties in interest: there was our committee and there was the contributor. Our committee did not care whether those names were disclosed or not, but we felt that we did not have the right to waive the contributor's privacy. If he wanted to tell how much he gave, that was his right, but it was not our right to say how much he had given unless he wanted to.

Now, we were confronted with a political situation at the time in which some of the candidates for President had released the names of their contributors and we had to consider whether we wanted to do the same thing. We met, we considered it, and we decided that we did not, that we were not going to give away the rights to privacy of the

individual contributors who had helped in the campaign. That was our decision.

Senator ERVIN. In other words, you decided that the right of the contributors to have their contributions concealed was superior to the right of the American citizens to know who was making contributions to influence the election of the President of the United States.

Mr. STANS. We did not evaluate it in those terms. We evaluated it in the terms that it was the Congress of the United States in 1925 that gave the option to a contributor to remain anonymous and that we had no right to give away his anonymity.

Senator ERVIN. Well, Mr. Stans, do you not think that men who have been honored by the American people, as you have, ought to have their course of action guided by ethical principles which are superior to the minimum requirements of the criminal laws?

Mr. STANS. I do not have any quarrel with that, but there is an ethical question in whether or not I can take your money as a contributor with an understanding on your part that you are entitled to privacy in that contribution and then go around and release the figure to the public.

Senator ERVIN. Well, all the law said, as you construe it, as your counsel construed it, was that you did not have to make a public reporting of these contributions. The law did not require you to destroy the records of those contributions, did it?

Mr. STANS. Mr. Chairman, the law did not even go that far. The law did not even require us to keep any records during that period of time, on the advice of my attorney.

Senator ERVIN. But the law did not require you to destroy the records you did keep?

Mr. STANS. No, of course not. That would be a silly proposition.

Senator ERVIN. Well, do you think that men who exercise great political power, as you exercised it and as a former Attorney General of the United States was exercising it and as other people engaged in this committee work, that they ought to disregard ethical principles and say they have fulfilled their full duty to the American people as long as they keep on the windy side of the law?

Mr. STANS. Senator, I haven't said that and I would not say it. I am saying that I think we have to balance one ethical principle against another, the right of privacy of an individual as against the right of the public to know.

The Congress has recognized that there is a problem. That is why it passed a new law. There was no reason that I know of why we should have anticipated the date that law was effective. The Congress, Mr. Chairman, gave us 60 days after the law was effective to operate under the old law.

Senator ERVIN. Yes; you had an old law which required you to report contributions, did you not?

Mr. STANS. Only in the case of a general election.

Senator ERVIN. Well, Mr. Stans, you were soliciting and collecting millions of dollars in campaign contributions. Is that right?

Mr. STANS. Yes, I did.

Senator ERVIN. Some of the people you solicited were even your friends, weren't they?

Mr. STANS. Yes, of course.

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Senator ERVIN. Didn't you feel some obligation to them to take an interest in what was happening to the money they contributed?

Mr. STANS. Well, of course I did.

Senator ERVIN. In view of your position as finance chairman, didn't you think that these people were relying on your taking an interest in what happened to their money, at least to the extent that it was used for legal campaign purposes?

Mr. STANS. I think they had every right to assume that I would not do anything in contravention of the law.

Senator ERVIN. Well, now, outside of the $50,000 given to Mr. Lankler, can you tell us what a single item that was spent in this expenditure of $1,270,000 went for?

Mr. STANS. I can tell you about the only other item of which I had knowledge at the time and that is the $15,000 that went at the request of Mr. Clement Stone. Mr. Stone was a very large contributor, the largest contributor in the campaign. He said to someone in the organization, I don't know who:

> I have given you all that I am going to give this year, but I want $15,000 of it to go to a fund in Illinois that is dealing with vote fraud, and I think you ought to be willing to give $15,000 of my money back for that purpose.

Now, I was aware of that.

Senator ERVIN. For what purpose?

Mr. STANS. A committee in Illinois, the name of which I don't recall, was dealing with a bipartisan program to prevent vote frauds.

Senator ERVIN. So they took $15,000 of this to prevent vote frauds in Illinois?

Mr. STANS. That is correct.

Senator ERVIN. Now, you know about the $50,000 to Mr. Lankler?

Mr. STANS. Yes, sir, and I testified about that.

Senator ERVIN. Now, was that paid out in cash?

Mr. STANS. Yes; it was.

Senator ERVIN. Will you please tell me why you disbursed $50,000 in cash to Mr. Lankler instead of by check?

Mr. STANS. It is my recollection that he asked for it in that form because he wanted to mix it into the receipts of the party that was being held in Maryland.

Senator ERVIN. In other words, they were holding a fundraising dinner in the Vice President's honor?

Mr. STANS. In honor of the Vice President.

Senator ERVIN. Yes. And they wanted to make it appear that they took in $50,000 more than they actually took in, didn't they?

Mr. STANS. They wanted to make it look more successful than it apparently was.

Senator ERVIN. Yes.

In other words, they wanted to practice a deception on the general public as to the amount of honor that was paid to the Vice President.

Mr. STANS. Mr. Chairman, I am not sure this is the first time that has happened in American politics.

Senator ERVIN. You know, there has been murder and larceny in every generation, but that hasn't made murder meritorious or larceny legal.

Well, that was the objective, wasn't it?

Mr. STANS. That was the objective, yes.

Senator ERVIN. Do you approve of trying to deceive the public about the success or lack of success of a fundraising dinner?

Mr. STANS. I gave it to the committee as a loan in consideration of a commitment I had made some months before to give them $50,000 if they needed it or wanted it.

Senator ERVIN. Well, the only thing they needed it for was to make it appear that the fundraising dinner was $50,000 more successful than it actually was, wasn't it?

Mr. STANS. That is correct, Senator.

Senator ERVIN. So they claimed the money to give back. In other words, the only purpose of the $50,000 was to practice a deception?

Mr. STANS. So far as I know, that is exactly what was intended and if you want to indict me for that, all right.

Senator ERVIN. Well, that is almost on a moral plane, in my judgment, with a vote fraud—not quite, perhaps.

Now, your committee not only didn't keep records, but it actually undertook to conceal transactions, didn't it, with respect to campaign contributions?

Mr. STANS. I am not sure what you are referring to, Mr Chairman.

Senator ERVIN. Well, I am referring to the Mexican checks.

Mr. STANS. Absolutely not, Mr. Chairman.

Senator ERVIN. Well, you said you got a phone call from the State chairman in Texas.

Mr. STANS. On April 3.

Senator ERVIN. Yes.

Mr. STANS. Asking me if it was all right for him to accept a contribution from an American citizen who had money in Mexico and wanted to give it in Mexican funds.

Senator ERVIN. Now, did he give you the name of the party?

Mr STANS. No, he did not.

Senator ERVIN. Did it not occur to you that—well, I will withdraw that question.

How long was it after that, the 3d of April, that you received this $89,000 in four Mexican cashier checks?

Mr. STANS. Well, I did not receive it and I never saw the checks. It was received by Mr. Sloan on April 5, of last year.

Senator ERVIN. And did you not receive it?

Mr. STANS. No, I did not. I did not receive those checks, they did not go through my hands, and I did not see them until I was asked to look at them in a deposition I gave in Florida at the time of the convention.

Senator ERVIN. Well, anyway, you told the State Republican chairman of Texas that it would be all right for your committee to receive the checks?

Mr. STANS. Under the circumstances I described; yes

Senator ERVIN. Now, there were four checks and they were cashier's checks drawn to a payee who was an obscure Mexican lawyer, was he not?

Mr. STANS. I certainly did not know his name; I did not hear his name until months later.

Senator ERVIN. And whether or not he endorsed them, it was a rather illegible endorsement.

Mr. STANS. I had no idea. I never saw the checks at the time.

Senator ERVIN. Did you not see them later?

Mr. STANS. Yes, I saw them in August.

Senator ERVIN. What about their appearance in August when you saw them?

Mr. STANS. I do not recall the endorsement, to tell you the truth.

Senator ERVIN. Do you not know, Mr. Stans, that one way to conceal financial transactions is to get cashier's checks so that the name of the donor will not appear on them?

Mr. STANS. Well, I suppose anyone could do that; yes. I do not know very many cases in which that happened.

Senator ERVIN. Well, I think that we will find out some more, perhaps.

Well, anyway, you had nothing to do with sending these down to the bank account of Mr. Barker?

Mr. STANS. Absolutely not.

Senator ERVIN. You did make an investigation later, did you not?

Mr. STANS. I did not make an investigation. I got the results of other investigations.

Senator ERVIN. Well, was the committee accustomed to doing what they call laundering checks?

Mr. STANS. Mr. Chairman, I am glad you asked that question. I have been waiting for it since yesterday.

Our committee did not launder any checks with anybody. Our committee did not send any money to any foreign country to be laundered and brought back to the United States—positively, period.

Senator ERVIN. You did not send any anywhere?

Mr. STANS. No, sir.

Senator ERVIN. You deposited all checks right in the bank here in Washington?

Mr. STANS. We deposited all checks in the bank account of one or other of our committees in Washington or in the States.

Senator ERVIN. Well, the committee, and Mr. Sloan as treasurer of the committee, was authorized by you to receive these four Mexican checks; was he not?

Mr. STANS. It was not a question of authorization. He did it in the orderly course of his duties. I did not know the checks were coming.

Senator ERVIN. You had a phone call in which the State chairman of Texas wanted to know if he could receive a contribution from an American who had money in Mexico, did you not?

Mr. STANS. Yes, sir, but there was no discussion about the form, as to whether——

Senator ERVIN. Well; anyway, the checks did arrive, you found out later?

Mr. STANS. I found out approximately 2 weeks after, 3 weeks after they arrived, that they had come.

Senator ERVIN. And there was a bank in the building in which your committee had offices, was there not?

Mr. STANS. Yes, sir.

Senator ERVIN. Did it not strike you as very queer that the checks would not be deposited there but would be sent down to the bank account of Mr. Bernard L. Barker?

Mr. STANS. Mr. Chairman, I did not handle those checks. It was Mr. Sloan who received them as treasurer. He discussed them with

counsel because he was not sure how they should be handled. Counsel recommended that they be returned to cash.

Senator ERVIN. That was Mr. Liddy, the counsel?

Mr. STANS. That is correct.

Senator ERVIN. Yes.

Was Bernard L. Barker employed by the committee, the finance committee, the Finance Committee To Re-Elect the President?

Mr. STANS. Not to my knowledge. I do not know Mr. Barker, I never met him.

Senator ERVIN. Well, these checks wound up in his bank account, did they not?

Mr. STANS. I have no idea how they wound up in his bank account, Mr. Chairman.

Senator ERVIN. But you do know from your investigation that is where they wound up?

Mr. STANS. That is where they wound up.

Senator ERVIN. Yes, sir. And you also know from your investigation that they stayed there until April 24 and you know he deposited not only these $89,000 in the four Mexican checks but at the same time, he deposited the Dahlberg check of $25,000 which had been received by you personally?

Mr. STANS. Which had been received by me personally?

Senator ERVIN. Yes.

Mr. STANS. Which had been held by me for a very brief time and turned over to our treasurer who on his own discussed it with counsel, and accepted counsel's recommendation that they be turned into cash.

Senator ERVIN. And his counsel was Mr. Liddy, again?

Mr. STANS. His counsel was Mr. Liddy.

Senator ERVIN. And the $89,000 in Mexican checks and the $25,000 Dahlberg check which you received all wound up at the same time in the same bank account on the same day, did it not?

Mr. STANS. I am not sure about the same day but they all cleared through the bank account of Bernard Barker.

Now, Mr. Sloan has testified, and I believe Mr. Sloan, that he got the proceeds of those checks back that Mr. Liddy——

Senator ERVIN. Well, do you not call that laundering checks?

Mr. STANS. No, I do not call that laundering checks.

Senator ERVIN. What do you call it?

Mr. STANS. I call it stupidity on the part of our general counsel.

Senator ERVIN. Well, the truth of it is they wanted to hide it, did they not?

Mr. STANS. I do not know what his judgment was. I think the only man who can tell that is Mr. Gordon Liddy and I wish he would talk because I think he would clear up many things.

Senator ERVIN. What about Mr. Sloan?

Mr. STANS. Well, Mr. Sloan has been before this committee and has testified.

Senator ERVIN. Yes.

Mr. STANS. He took the advice of counsel.

Senator ERVIN. Mr. Stans, regardless of whether anybody wanted to hide anything, can you imagine a more efficacious method to be devised to hide something than that?

Mr. STANS. Mr. Sloan has given a reason for converting the checks into cash, that he could not deposit $25,000 or other amount of that size in the account of a single committee without creating gift tax problems for the contributor. Normally, contributions are divided over a group of committees not to exceed $3,000 each. In this case apparently, and I was not there, apparently Mr. Liddy recommended that the checks be converted into cash so that the amounts could be distributed over a number of committees. I am just quoting Mr. Sloan on that.

Senator ERVIN. Mr. Stans, you received the $25,000 Dahlberg check yourself?

Mr. STANS. I received it on April 11 and gave it to Mr. Sloan.

Senator ERVIN. And you gave it to Mr. Sloan?

Mr. STANS. And I explained the circumstances.

Senator ERVIN. Did you give it to Mr. Sloan so it could be divided up so that they could circumvent the gift tax law?

Mr. STANS. I have testified several times I gave it to Mr. Sloan and told him of how it had been received and the intention of the contributor and asked him to figure out how to handle it.

Senator ERVIN. Well, you were engaged in the business of dividing up single contributions to your committee in such a way as to defeat the application of the gift tax law, were you not?

Mr. STANS. Senator, I think that is an improper phrasing. We were not engaged in——

Senator ERVIN. What were you dividing them up for?

Mr. STANS. We did not normally divide up checks, that is the problem——

Senator ERVIN. Well, you just stated that Mr. Sloan could not deposit the $25,000 check received by you because if he did that it would be subject to the gift tax law?

Mr. STANS. What I am saying and what I was saying in answer to your earlier question is that in almost all cases the contributor divided up his contribution by making it to different committees.

Senator ERVIN. Well, the contributor did not divide up the $25,000 Dahlberg check, did he?

Mr. STANS. No, but it is evident that he wanted it divided up because he wrote a letter later on criticizing us for not having divided it up.

Senator ERVIN. Well, but, you said Mr. Liddy was instrumental in getting it down to Mr. Barker's bank account, and it was not split up into $3,000 deposits there. It was deposited $114,000 on 1 day, was it not?

Mr. STANS. The fact that Mr. Liddy sent it down to Mr. Barker's bank account is still only a presumption because I do not know the facts. They ended up going through Mr. Barker's bank account but they could conceivably have gone through several other hands during that time.

Senator ERVIN. Mr. Stans, when your deposition was taken and these checks were exhibited to you they bore the evidence they had been deposited in the Miami bank, did they not?

Mr. STANS. Yes, they bore——

Senator ERVIN. So you do not say it is still an assumption or presumption, do you, that they were deposited there?

Mr. STANS. No, I did not say that was a presumption. I said the presumption I was not correct about was they went directly from

Liddy to Barker, and there may have been other people in the chain of movement.

Senator ERVIN. Now, on April 24 Barker withdrew, you learned later, as you stated, from reading charges in the paper, that he withdrew $25,000 of this money and at least $10,000 of it were in $100 bills. You learned that, did you not?

Mr. STANS. I read that in the paper, yes.

Senator ERVIN. You know that under the law that the bank is required to keep a record of the serial numbers of bills when they pay out more than $5,000 in cash at one time, do you not?

Mr. STANS. I am not conversant with the provisions of that law. I am not sure whether those provisions ever went into effect because there were some provisions of that bill passed by the Congress that were stayed by a court case in California and I am not sure whether that bill ever went into effect.

Senator ERVIN. Well, you read in the papers subsequently, and knew that on the 8th day of May 1972, that Barker withdrew $89,000 from the proceeds of these checks from his Miami bank account, did you not?

Mr. STANS. I read that, yes, sir.

Senator ERVIN. And then you read after the Watergate hearing that 53 $100 bills that had come out of this withdrawal were found in the pockets of the four of the burglars that were caught redhanded in the Watergate, did you not?

Mr. STANS. I read something to that effect. I am not sure that chain of connection was ever established or not but I did read that in the paper.

Senator ERVIN. Where was this $1,027,000 in cash that was not deposited kept?

Mr. STANS. It was kept under the jurisdiction of the treasurer, Mr. Sloan.

Senator ERVIN. Well, was not part of it kept in the safe of your secretary?

Mr. STANS. Well, Mr. Chairman, I discussed that this morning and let me break it down into two parts. Before April 7 when any money came in I gave it to Mr. Sloan at the first opportunity and I only used my safe in the event that Mr. Sloan was not available, to protect the money until I could give it to him. As I said there was only one occasion in which there was more than one contribution in that safe.

Now, after April 7 a different situation prevailed. We cleared out all the money in my safe before April 7 when I gave him the last of the contributions I had accepted and, so far as I knew, there was no more money in that safe. However, I went on vacation on the 12th of April, returned on the 24th and during that time Mr. Sloan decided that he did not want to keep the money in his safe any longer. He had it all at that time, so since he had the combination of the safe in my secretary's office he moved the money into that safe. I did not know he had done that until sometime in August when I testified as to one thing and he testified to another, and we talked it over and I found out he was using my safe, the one in my secretary's office, for a period of time.

Senator ERVIN. How much money in cash did you and Mr. Sloan have in the offices of the Committee To Re-Elect the President at any one time?

Mr. STANS. I do not know. Mr. Sloan handled the cash and I do not know how much was in it at any one time except on the days in which I asked him for the figure or on the days in which——

Senator ERVIN. Well, tell us about the days on which you asked him for the figures.

Mr. STANS. Well, occasionally, after I was aware that some contributions had come in I asked him how much he had, and suggested he make some deposits. That is how he made $400,000 in deposits prior to April 7.

Senator ERVIN. Yes, but there was over a million dollars he did not deposit, that is what I am talking about.

Mr. STANS. Well, he did not have it because he had paid it out. Some of these items, Mr. Chairman——

Senator ERVIN. He had it before he paid it out.

Mr. STANS. Mr. Chairman, let us be fair.

Senator ERVIN. I am trying to be fair.

Mr. STANS. Some of these items were paid out by Mr. Sloan before I even got to the committee. Many of them were paid out without my knowledge.

Senator ERVIN. Well, this $350,000 that was put in a briefcase and carried by Mr. Sloan over to Mr. Haldeman, that was there in cash, was it not?

Mr. STANS. That was there in cash.

Senator ERVIN. And all at one time?

Mr. STANS. Of course.

Senator ERVIN. Yes.

Mr. STANS. But I do not know what the total balance was at any one time, Mr. Chairman.

Senator ERVIN. Well, you do know that prior to the 7th of April, at the time they started keeping it in cash in the offices instead of putting it in the bank that there was a total of $1,777,000, approximately, in cash in that office?

Mr. STANS. Over a period of 12 months?

Senator ERVIN. Yes, sir.

Mr. STANS. Yes, sir.

Senator ERVIN. And the office was in a bank building, was it not?

Mr. STANS. Yes, it was.

Senator ERVIN. And all you would have had to have done to make it safe would have been for somebody to go on the elevator, go down to the bank and deposited it in the bank, would they not?

Mr. STANS. That would be a very simple way to do it.

Senator ERVIN. Why did they not do it?

Mr. STANS. I was not the treasurer, Mr. Sloan was the treasurer.

Senator ERVIN. When did you become treasurer?

Mr. STANS. I never become treasurer.

Senator ERVIN. You were the chairman?

Mr. STANS. February 15.

Senator ERVIN. And the chairman, as I understand the setup, is superior to the treasurer and the treasurer takes orders from him.

Mr. STANS. Well, that needs clarification too.

Senator ERVIN. Clarify it please, sir.

Mr. STANS. The statute, in effect, fixes the responsibilities of the treasurer very thoroughly as all the matters of handling money,

accounting, disbursing, and reporting. The statute does not fix the responsibilities of the chairman.

Now, Mr. Sloan had his responsibilities and I had mine and we worked together very well.

Senator ERVIN. You are talking about the statute but you know you have an organization set up there that is independent of the statute.

Mr. STANS. Yes, but we——

Senator ERVIN. And you did not have any statute requiring anything then?

Mr. STANS. But we had a method of operation.

Senator ERVIN. That is what I am talking about. Under the method of operation you were Mr. Sloan's superior, weren't you?

Mr. STANS. I was the coordinator for the committee and in that sense I was superior to Mr. Sloan but he had his functions and responsibilities. He consulted with me when he had a problem but he did his work otherwise just as everyone else did.

Senator ERVIN. And you gave him instructions from time to time as to what he should do, did you not?

Mr. STANS. Of course, I did.

Senator ERVIN. Here is a letter that Senator Talmadge called your attention to this morning, on June 1, 1972, from you to Hugh Sloan and it gives him the instruction that checks must be deposited immediately and appropriate lists prepared so that the thank-you letters will go out at once. Doesn't that sound like an order?

Mr. STANS. I think it sounds like a strong suggestion.

Senator ERVIN. You call it a strong suggestion. Well, I read infantry regulations which said the request of a superior was equivalent to a command and I would construe that to be a command myself.

Now, you say, did the Committee To Re-Elect the President and the Finance Committee To Re-Elect the President have offices in the same building?

Mr. STANS. Yes, they did, separated by several floors.

Senator ERVIN. And Mr. Mitchell was the head of the other committee?

Mr. STANS. Until July 1.

Senator ERVIN. And Mr. Magruder was deputy under Mr. Mitchell?

Mr. STANS. That is correct.

Senator ERVIN. And you have told this committee, as I construe your testimony, that Mr. Mitchell would not tell what he was going to spend the money for and that you did not inquire. Is that correct?

Mr. STANS. Mr. Chairman, the whole understanding of the arrangement was that it wasn't necessary for them in the campaign committee to tell us what they were going to spend the money for except in the major categories as discussed in the meetings of the budget committee.

Senator ERVIN. And you did not have enough curiosity to inquire as to what they were going to spend the money for?

Mr. STANS. Mr. Chairman, I did not have any time for curiosity, I had to raise $40 million and I worked at a frenzied pace during the entire period I was there.

Senator ERVIN. Well, you did have some authority in determining amounts of money that were to be expended, did you not?

Mr. STANS. Only in the aggregate by categories and I had very little authority on that.

Senator ERVIN. Well now you were a member of the budgetary committee, weren't you?

Mr. STANS. That is correct.

Senator ERVIN. Now the budgetary committee was composed of you and two other representatives from the Finance Committee To Re-Elect the President?

Mr. STANS. Correct.

Senator ERVIN. Who were the other two members?

Mr. STANS. Mr. Sloan and Mr. Nunn.

Senator ERVIN. And who were the members of the budgetary committee from the Committee To Re-Elect the President?

Mr. STANS. Mr. Mitchell, Mr. Magruder, and, I think, Mr. Porter. But I am not quite sure.

Senator ERVIN. Well, you all met, did you not?

Mr. STANS. Yes, we met regularly.

Senator ERVIN. Did you not confer about how much money you were going to spend?

Mr. STANS. Yes, we did.

Senator ERVIN. And you had some authority to say something about how much money was to be spent, did you not?

Mr. STANS. I had no authority, Mr. Chairman, I only had the authority to argue.

Senator ERVIN. Well, you claim you were just a puppet of John Mitchell, is that what you are claiming?

Mr. STANS. No, I am not saying that at all. I am saying that——

Senator ERVIN. Well, Mr. Stans, I wish you would explain to me the amount of the expenditures. You did say something about the expenditures, did you not?

Mr. STANS. Mr. Chairman, as I said in my statement, and as I testified this morning in some detail, the budget was broken down into about a dozen items, and it is that which we argued about in the budget committee meetings. An item of research and planning, direct mail and telephone, $6,785,000. That included $4½ million for direct mail, $1,900,000 for telephone, and $180,000 for computer maps and so on.

Senator ERVIN. Well, that was an overall budget, wasn't it?

Mr. STANS. This was in the overall budget.

Senator ERVIN. And you agreed on an overall budget all at one time, did you not?

Mr. STANS. Oh, no, we debated the overall budget right up to the end.

Senator ERVIN. You debated and redebated the same thing each time?

Mr. STANS. Each time we met because I was trying to get the spending reduced.

Senator ERVIN. If you had no authority in the matter, why did you debate it?

Mr. STANS. Well, all the authority I had was to debate it.

Senator ERVIN. Debate it.

Well now, did they not ever ask you your judgment about the amounts that should be spend for this, that, or the other?

Mr. STANS. No. They presented figures to me, they presented programs to me, and I was in a position of either agreeing or challenging and that is why——

Senator ERVIN. Yes, sir.

Mr. STANS. That is why, Mr. Chairman, I wrote the letter of May 10 to Mr. Mitchell. I sat in a number of these budget meetings, I had made very little progress in reducing the figures that were proposed and I wrote a letter and said I think we ought to cut the budget a fairly significant amount of money. I did not succeed. I think it is well known that——

Senator ERVIN. Are you telling the committee that Mr. Mitchell was the supreme authority in that field?

Mr. STANS. No, I am not saying that at all. I am saying that the budgets were prepared by the people under Mr. Mitchell who had charge of the various functions. There were about a dozen different divisions of the budget and each was under an individual. He prepared his budget, he came in and argued for it, and I was in the position of being the devil's advocate in every case and saying, "that is too much money and the total is too high."

Senator ERVIN. Now, how often did the budgetary committee meet?

Mr. STANS. Beginning Labor Day, it was scheduled to meet every week. Before Labor Day, it met at somewhat irregular occasions. There were fairly frequent meetings in April and May and less frequent meetings, I believe, in June, July, and August.

Senator ERVIN. Well, wasn't it your function, among other things, to discuss and debate and reach a conclusion with the other members of the budgetary commission as to what outlays of money should be made?

Mr. STANS. Yes, sir, that was the function. But I apparently wasn't eloquent enough.

Senator ERVIN. Can you explain to a simple-minded man like me the mental processes by which you can determine how much money ought to be spent for a particular project unless you know what the project is?

Mr. STANS. That exactly is the kind of problem we had. We had minimum specifications. The problem was not determining what the project was in those terms; the problem was: "Do we need to spend $12 million for television and radio advertising and another $4.5 million for direct mail and another $1.9 million for telephone, or isn't there an overkill and a duplication in doing all of these things."

Mr. Chairman, there is no yardstick by which you judge the necessities of a political campaign. I was only arguing to keep the expenditures down to the limits that I thought I could raise.

Senator ERVIN. And you didn't take into consideration how much was needed?

Mr. STANS. There is no such definition as how much is needed except the subjective definition of the people who want to spend the money.

Senator ERVIN. I don't know whether I understand your testimony or not. Are you telling me in effect that Mr. John Mitchell was running the show and you had very little voice in it except to raise the money that he wanted to spend?

Mr. STANS. No, I am not quite telling you that. I am telling you that in the budget committee meetings, I was not very successful in holding down the level of spending.

Senator ERVIN. Did they ever discuss the question in any budgetary meeting about using any money for intelligence work?

Mr. STANS. I don't recall any discussions of that type.

Senator ERVIN. Did you ever vote to authorize the use of any money for intelligence work?

Mr. STANS. No. If you mean by that the kind of intelligence that we are talking about in connection with the Watergate and so on, no.

Senator ERVIN. Now, you say the President called you in August?

Mr. STANS. The President called me in August and I have checked my record, and I believe the meeting I had with him was in September, early September.

Senator ERVIN. I will digress for a minute to say that you are familiar with the power structure, the power as was in the White House, are you not?

Mr. STANS. I believe I am.

Senator ERVIN. And the man next to the President is Mr. Haldeman?

Mr. STANS. One of the men next to the President is Mr. Haldeman.

Senator ERVIN. And Mr. Ehrlichman was the other?

Mr. STANS. Yes.

Senator ERVIN. And John W. Dean was a man who was subordinate to both of them, wasn't he?

Mr. STANS. I don't know. I know he was counsel. I don't know where he stood in the organizational structure of the White House.

Senator ERVIN. You didn't put him ahead of Mr. Haldeman or Mr. Ehrlichman, either one of them, in authority, did you?

Mr. STANS. No; but for all I know, he may have been on a par with them. I just don't know.

Senator BAKER. Mr. Chairman, we have a vote in progress now and I know we are going to have to leave. But you have raised some interesting questions and I would like the chairman's attention just for a moment.

I have not been a protector and I have not been a defender of any witness, nor have I been a prosecutor, I believe, and I don't propose to start that now. But it seems to me that the inquiry into two areas on campaign financing deserves further inquiry. The chairman's question of this witness as to whether there was a higher duty than that required by the law under the Corrupt Practices Act of 1925 is very interesting, particularly with reference to the method and manner of accounting for cash contributions and cash disbursements and the requirement of the law or the custom and usage by political parties in disbursing cash.

The second question the chairman raised about whether or not the dividing up of cash contributions into smaller sums for multiple deposit is an attempt to defeat the gift tax as distinguished from avoiding the gift tax.

Mr. Chairman, it seems to me that in absolute fairness, if we are going to inquire into something higher than the language of the law or into custom and practice of politics in this respect, it is incumbent upon this committee, and I so suggest, that the committee subpena all of the records of the Democratic National Committee and all of those candidates for nomination of either of the two major political parties

for a reasonable time preceding April 7, 1972, and subsequently, to shed light on exactly what the custom and usage in politics was. I hope we will have witnesses here to discuss the manner of handling cash and the manner of handling deposits in order to avoid gift tax consequences before these hearings conclude.

Senator GURNEY. Mr. Chairman, I would like to associate my position, too, with the vice chairman's. I think we should look into those things.

I would like to say some other things, too. The American public, I don't think, understands how these hearings are conducted and I don't want them to get the impression that the questioning of any Senator here is found favorable by other Senators. I for one have not appreciated the harassment of this witness by the chairman in the questioning that has just finished. I think this Senate committee ought to act in fairness.

Senator ERVIN. Well, I have not questioned the veracity of the witness. I have asked the witness questions to find out what the truth is.

Senator GURNEY. I didn't use the word "veracity." I used the word "harassment."

Senator ERVIN. Harassment?

Senator GURNEY. Harassment—h-a-r-a-s-s-m-e-n-t.

Senator ERVIN. Well, I am sorry that my distinguished friend from Florida does not approve of my method of examining the witness. I am an old country lawyer and I don't know the finer ways to do it. I just have to do it my way.

Senator GURNEY. I didn't say that I do not approve; I just want to disassociate myself from——

Senator BAKER. If the Senator will yield for just a moment, I think it is, that it is important that we have this perspective. I don't think it is right to go on into an argument. I understood the Senator to say that he found favor with my suggestion that the documents of the Democratic National Committee and those candidates for nomination of either of the two major political parties be subpenaed to shed light on the custom and usage with respect to the gift tax and the handling and disbursement of funds.

Is that correct?

Senator ERVIN. Oh, yes.

Senator BAKER. I thank my chairman.

Senator ERVIN. I will timely urge the committee to authorize me to sign any subpena for any person that the committee wants to call.

Senator BAKER. I thank the chairman very much.

[Recess.]

Senator ERVIN. Mr. Secretary, you testified about Mr. Kalmbach coming to you and asking you for, as I understand you to say, all the money that you had available.

Mr. STANS. All the cash I could give him.

Senator ERVIN. All the cash?

Mr. STANS. Right.

Senator ERVIN. And you gave him $75,000?

Mr. STANS. Yes, I did.

Senator ERVIN. Now, you said that was not out of campaign funds. Did you mean by that that it was out of this special campaign fund which had been set up for your use?

Mr. STANS. Well, I said it was not out of money that was the property of the committee. The first $45,000 of it was money that had been given to me for expenses which I had decided not to use. Thirty thousand of it was money which had been offered by a contributor but I didn't know I could accept it so I had not accepted it. I was holding it in escrow as it were, pending a determination of whether I could accept it or not. Those were the two funds that I gave to Mr. Kalmbach.

Senator ERVIN. Now $45,000 had been set aside for your use in raising campaign funds, hadn't it?

Mr. STANS. It had been set aside, yes, for my expenses.

Senator ERVIN. Yes.

Now, at that time Mr. Kalmbach told you that it was a White House project and the request was made on him by higher authority?

Mr. STANS. Yes.

Senator ERVIN. But he refused to tell you what the money was for?

Mr. STANS. That is correct.

Senator ERVIN. Now you later found out that that money was given to a man named Tony to bring down to Washington to be used to pay lawyer fees for the defendants in the criminal action before Judge Sirica?

Mr. STANS. Yes, I learned that sometime in late April and May——

Senator ERVIN. Now ——

Mr. STANS. Of this year.

Senator ERVIN. Don't you know that approximately $450,000, either campaign funds or funds that were raised by people active in the campaign, were given as funds to pay counsel fees for the attorneys for the defendants in the criminal action and to pay their salaries and to take care of their families?

Mr. STANS. No, sir, I do not know that.

Senator ERVIN. Do you know of anything except the $75,000 that was used for that purpose?

Mr. STANS. That is all I know about it.

Senator ERVIN. So we have a situation here in the criminal cases where the Department of Justice, or rather prosecuting attorneys who were prosecuting the case, and to some extent counsel for the defendants in the case, were being paid by people who were active in the campaign, isn't that so?

Mr. STANS. Well, it depends on how much they were paid and what the source of the money was.

Senator ERVIN. Yes.

Mr. STANS. And I really don't know.

Senator ERVIN. Only to the extent of $75,000.

Mr. STANS. That is correct. And that was not known at the time.

Senator ERVIN. Some very distinguished gentlemen maintain we ought to leave it to the prosecutors and the courts to determine this whole thing and the committee ought to close shop.

Now, as I understand it, you have no records showing that you had a meeting with Magruder and Mitchell on June 24, 1972?

Mr. STANS. Mr. Chairman, I have something to add to what I said this morning. I have no records showing that I had any meeting with Magruder or Mitchell on June 24 nor do I have any recollection. But because the committee put such emphasis on it, my counsel, on his initiative called Mr. Mitchell's counsel who talked to Mr. Mitchell

to see if he had any recollection, and this is the report that I got back which is quoting Mr. Mitchell. There was a meeting sometime during the day between Mardian, Magruder, and Sloan at which Mardian was pushing Sloan and Magruder to find out how much money Sloan had given to Liddy. I was not at the meeting and I did not know who was at the meeting.

Then there was a second meeting the same day between Mardian, Sloan, and Mitchell. Mardian got rough on Sloan because Mardian did not find out from Sloan how much money he had given Liddy. Again I was not at that meeting and I did not know of the meeting at the time it was held.

Then according to Mr. Mitchell's records at 3:40 there was a telephone conversation between Mitchell and me. Whether he placed it originally or whether I did, he did not know. At 4 p.m. I met with Mr. Mitchell in his office alone, no one else was present. Mitchell told me that Sloan would not tell him how much money Sloan had given Liddy and asked me if I knew and I said I did not. That is all that was said.

Now, I am giving you a report which is thirdhand, Mr. Mitchell to his counsel to my counsel to me. As I said earlier, I have no recollection of the meeting and no record of it and I still have no recollection of the meeting but this is Mr. Mitchell's report.

Senator ERVIN. Now——

Mr. STANS. But it did not cover anything beyond the question of how much money did Sloan give Liddy. It did not cover any of the subjects that were alluded to in the questioning earlier as to whether there was a full discussion of who was involved in the Watergate and so on.

Senator ERVIN. Now, within a few weeks after the break-in you knew that McCord, who had been employed as a security officer by the political committee, as I understand it, that is the Committee To Re-Elect the President, had been arrested in the Watergate?

Mr. STANS. Yes, I knew that the day after.

Senator ERVIN. Then you found out from the press that four, Barker and Sturgis and Gonzales and Martinez had money which had come from the proceeds of checks of the committee in their pockets at the time they were arrested and in their hotel rooms?

Mr. STANS. I knew that only from the press stories. I did not know it of myself.

Senator ERVIN. Then a short time later you knew that Magruder had paid substantially—or rather had directed Sloan, and Sloan, at Magruder's direction, had paid substantial sums of money to Liddy.

Mr. STANS. Yes.

Senator ERVIN. You also knew that Liddy had been charged with complicity in the Watergate break-in?

Mr. STANS. Well, before that Mr. Liddy had refused to answer questions to the FBI and on advice of counsel I fired him.

Senator ERVIN. Did you ask Liddy anything about the matter yourself?

Mr. STANS. No. I did not because Mr. Mardian was handling the whole of the legal matters involving the Watergate.

Senator ERVIN. Well, Liddy had been serving as general counsel of your committee?

Mr. STANS. Yes.

Senator ERVIN. Why did not you ask him questions?

Mr. STANS. Because Mr. Mardian showed me a memorandum addressed to me stating that Mr. Liddy had failed to cooperate with the FBI, asked my approval to fire him, and said, "Do not discuss the matter with him" or do not discuss anything with Mr. Liddy, so that was the end of it. I shook hands when Mr. Liddy came to my office, at the close of the day. I shook hands with him, said good-bye and that was it.

Senator ERVIN. And you knew that and, in fact, Mr. Sloan told you that he had so many misgivings about the money that he had been giving to Liddy at Magruder's request that he was thinking about resigning.

Mr. STANS. Yes. That happened right around the first of July.

Senator ERVIN. And he first gave you that message by telephone, did he not?

Mr. STANS. I am not sure. I think he gave it to me in person in the office.

Senator ERVIN. Well, anyway, you told him to come and talk to you in person about it, did you not?

Mr. STANS. That was somewhat later, that was 2 weeks later.

Senator ERVIN. Yes. When he came to talk to you about his resigning you told him that you had already informed the FBI that he had resigned?

Mr. STANS. No, I did not tell him that but it evolved in that manner. I was certain that Mr. Sloan was resigning, there was no question but that that was his intention. He had not submitted it in writing but when I met with the FBI I said Mr. Sloan had offered to resign 2 weeks ago and was undoubtedly resigning and that was the record.

Senator ERVIN. Well, did not Mr. Sloan tell you at any time that Mr. Magruder had sought to persuade him to commit perjury in respect to the amount of money that had been given to Mr. Liddy?

Mr. STANS. Yes, he did. He told me that after he had had the several conversations with Mr. Magruder and after he had told Mr. Magruder that he was going to tell the truth.

Senator ERVIN. Mr. Stans, didn't all of this knowledge that you acquired one way or another about these matters that I have enumerated, engender in your mind a feeling that you ought to communicate or talk to the President about this matter?

Mr. STANS. Mr. Chairman, this did not all happen on 1 day, as you know. It was a growing thing.

Senator ERVIN. Yes, sir.

Mr. STANS. As one circumstance after another developed, it was evident that it was entirely possible that Mr. Liddy was implicated in this matter. There was no indication that anyone else was outside of those who were arrested. Mr. Mardian had been appointed as the counsel to investigate the situation presumably to report to Mr. Mitchel and the President, and it was outside of my domain so I did not go beyond, go any further.

Senator ERVIN. You did know about Magruder since Sloan had told you about Magruder trying to persuade him to commit perjury?

Mr. STANS. I had heard that from Sloan but Sloan had——

Senator ERVIN. Yes.

Mr. STANS. But Sloan himself had carried that story to others.

Senator ERVIN. And you knew Mr. Mitchell had told you that Mr. Magruder was authorized to direct Mr. Sloan to make these payments to Liddy?

Mr. STANS. Yes, of course, I knew that.

Senator ERVIN. You knew all of this before you talked to the President in August, did you not?

Mr. STANS. Oh, yes.

Senator ERVIN. Now, you were not only a personal friend but a political friend of the President, were you not?

Mr. STANS. Yes, I believe I was.

Senator ERVIN. And wished him well.

Mr. STANS. I certainly did.

Senator ERVIN. And you knew that under the Constitution one of his principal obligations was to see that the laws be faithfully executed?

Mr. STANS. No question about it.

Senator ERVIN. Did it not occur to you that as a friend of the President, as one who wished him well and one who was endeavoring to procure his reelection, that you should have talked to the President and suggested to him that he come out and make it clear that he was going to enforce the law regardless of what happened?

Mr. STANS. Mr. Chairman, the President had far more resources than I did. It was known that the White House was conscious of the problem. I had no knowledge that was not common knowledge at the. time, I had nothing to tell the President that would have been unusual.

Senator ERVIN. Well, didn't all of this engender in your mind a suspicion that maybe something was rotten in the Committee To Re-Elect the President?

Mr. STANS. Mr. Chairman, I had no reason to suspect at that time and until March 23 that there was anybody involved in this matter beyond McCord and Liddy.

Senator ERVIN. There was Hunt who had worked and had an office in the same building in which you had an office, did he not?

Mr. STANS. I did not know Mr. Hunt. I know nothing about his connection with the affair.

Senator ERVIN. Did you not learn something about that shortly thereafter

Mr. STANS. He was one of those indicted. No, I did not know anything about Mr. Hunt until I read in the press and he was indicted.

Senator ERVIN. And the fact that you had been told that Mr. Magruder had tried to persuade Mr. Sloan to commit perjury, did this not make you think that Mr. Magruder was implicated in some way?

Mr. STANS. Well, it is entirely possible that Mr. Magruder was, but he was not indicted by the grand jury who had apparently had the entire story, according to Mr. Sloan's statement. I am not in position to accuse people of crimes if the grand jury does not find them indictable.

Senator ERVIN. Well, I wasn't suggesting that. I was just suggesting as a friend and well wisher of the President that you might naturally have exactly the same inclination which Mr. Sloan evidently had that something might be wrong, might be rotten in the Committee To Re-Elect the President and if you feel like protecting the President, you ought to call to his attention your misgivings.

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Mr. STANS. Well, Mr. Sloan and Mr. Magruder testified before the grand jury. Mr. Sloan talked to people in the White House. All I can say is that I saw no reason for my going any further with the President.

Senator ERVIN. Well, you didn't have any feeling that there was anything rotten in the Committee To Re-Elect the President that ought to be investigated?

Mr. STANS. Beyond that investigation which was going on by the FBI, by the grand jury, by the White House, and whatever other sources were involved, I had no investigating mechanism and I did not.

Senator ERVIN. Were you questioned individually by the FBI?

Mr. STANS. Oh, yes. I had three meetings with the FBI plus the one occasion when they came back for a few questions.

Senator ERVIN. In other words, the information you did give the FBI was not in the form of a written statement made by you?

Mr. STANS. No, it was not.

Senator ERVIN. And how long was it after you had the conversation with the President until the President announced that Dean had made an investigation and that he could assure the American people that nobody presently employed or then employed in the White House was implicated in any way?

Mr. STANS. Mr. Chairman, offhand, I don't know whether that announcement was made before or after the date that I had the meeting with the President.

Senator ERVIN. Now, you talked with the President personally in September, you say?

Mr. STANS. Yes.

Senator ERVIN. Did you discuss any of these matters with him?

Mr. STANS. No; I did not discuss the Watergate matter as such. The President commiserated with me. He said, I know you are taking a lot of punishment in the press and taking a great many accusations. He said, you are doing a fine job, I hope that you will keep on working, because this will all be cleared up some day and I am confident that you had nothing to do with it. It was a pep talk, as I said.

I did take advantage of the occasion to say to the President, I think we are spending an awful lot of money, we are working awfully hard to raise it, and Mr. President, it is very hard to raise money for a candidate who is 30 points ahead in the polls.

But that was the nature of the discussion.

Senator ERVIN. Do you have any questions?

Mr. EDMISTEN. I have a couple of rapid questions, Mr. Chairman.

Mr. Stans, you have testified that part of the money that went to Mr. Kalmbach was paid out of some Philippine National money and you said that, that had to be paid back?

Mr. STANS. Yes, sir.

Mr. EDMISTEN. Was that paid back by check?

Mr. STANS. No; that was paid back by Mr. LaRue in the same form in which we received it, in cash.

Mr. EDMISTEN. Now, isn't it true, Mr. Stans, that shortly after the break-in, Mr. Sloan went to the White House because he was very upset about certain things that had allegedly happened and that he did indeed go there, and that he talked to Mr. Ehrlichman and to Mr. Chapin?

Mr. STANS. He has so testified. I had no direct knowledge of it at the time.

Mr. EDMISTEN. All right. He returned to the committee and did you not speak to him about his conversations at the White House?

Mr. STANS. I have no recollection of having spoken to him about that. It is possible that somewhere along the line, he reported on those conversations, but I don't recall it. Mr. Sloan may have a better recollection on that than I do.

Mr. EDMISTEN. In quotes, do you recall "raking him out" about that, maybe, criticizing him?

Mr. STANS. I didn't understand your question.

Mr. EDMISTEN. Did you "rake him out" about having that meeting in the White House?

Mr. STANS. Oh, absolutely not.

Mr. EDMISTEN. All right.

Now, do I understand it that your concept of Mr. Mitchell's role in the whole campaign is that he chaired those meetings you spoke about?

Mr. STANS. The meetings of the budget committee?

Mr. EDMISTEN. That is right.

Mr. STANS. Yes, we were really cochairmen of the budget committee, but I deferred to Mr. Mitchell. The meetings were held in his office or near his office and in effect, I considered him the chairman of the meeting.

Mr. EDMISTEN. So you viewed him as the man in charge, didn't you, of the whole campaign?

Mr. STANS. Yes, but not in charge of the finance committee.

Mr. EDMISTEN. All right, but overall, you said that you really had nothing to do with the campaign, that you considered him in charge of the whole campaign process.

Mr. STANS. Yes, he was campaign director. That was his title.

Mr. EDMISTEN. All right. When you were approached about giving some money to Mr. Liddy, you called up Mr. Mitchell, did you not?

Mr. STANS. I went to see him.

Mr. EDMISTEN. And I think yesterday in response to a question I posed, you said, "Do you mean, John, that if Magruder tells Sloan to pay these amounts or any amounts to Gordon Liddy, that he should do so?"

And he said, "That is right."

Now, before that, Mr. Mitchell had said to you, "He will have to ask Magruder because Magruder is in charge of the campaign and he directs the spending."

Now, wasn't that incredible to you?

Mr. STANS. No, not in the context in which I understood it. What Mitchell was saying is that Magruder is the man who is handling the details of the campaign, Magruder is the man who is working out the programs, Magruder is the man who has the responsibility for directing the spending.

When John Mitchell is before this committee, he can tell you better than I can what his function was, but I conceived his function to be that of the political professional, the man who talked to the political leaders in a State and organized the campaign in a State, the man who sought to bring about harmony in the campaign, and so on. I did not

conceive of Mr. Mitchell as the man who said, "Let's spend $745,000 for public relations." He was in on the discussions on that, but he was the political professional, as I understood it.

Magruder was the onhand manager of the activity.

Mr. EDMISTEN. All right, Mr. Stans. My last question is this: I know that you have subsequently read about the so-called CIA involvement of the Mexican transactions, but did you not have some inkling of that at the time that the Dahlberg-Mexican checks came up? Did somebody notify you that there was a possible CIA involvement, and, if so, who?

Mr. STANS. The stories I have been reading in the paper recently have been a great surprise to me about the discussions between the heads of the CIA and the FBI because I was not aware that any of that was going on. But there was one occasion when Bob Allen had complained to me that the attorney in Mexico was being harassed, that the FBI had demanded to know the name of his client, that this would have breached his lawyer-client privilege, and that the FBI had threatened him that if he did not tell them who the client was in this matter, they were going to go to all the clients of the firm and find out.

Allen called me and said, "Does the FBI have that much authority in a foreign country," and I said, "I do not know."

I talked to either Mardian or John Dean, I can't recall which one it was, and asked them the question.

Sometime later, a day or two later, I got a reply. It said that it appears as though this lawyer may be a CIA source and if that is the case, the investigation will stop at that point.

Now, that is all I heard or know about that situation. I can't place that conversation in terms of a date. But I did get that one report.

The investigation did not cease and eventually was carried on until I was told the investigation was over.

Mr. EDMISTEN. Do you know the basis of that statement that was the White House position?

Mr. STANS. Pardon me?

Mr. EDMISTEN. Do you know of any basis for the apparent White House position that there was CIA involvement?

Mr. STANS. No, I do not, except as you know, the White House was getting the FBI investigation reports, apparently, and——

Mr. EDMISTEN. Thank you.

Senator ERVIN. Any other questions on this side?

Senator TALMADGE. I have one, Mr. Chairman.

Mr. Stans, I will ask you to get volume 10 of the testimony and turn to page 1733. Do you have that?

Mr. BARKER. Senator, whose testimony is that?

Senator TALMADGE. This is Mr. Stans' testimony. Page 1733.

Mr. STANS. We do not have that, sir.

Senator TALMADGE. Do you have another copy here?

Let me read an inconsistency in the testimony and ask you if you can clarify it, please.

On page 1733, this morning—I am quoting Senator Inouye.

> Yesterday and this morning, you testified that you had no reason to question the integrity or the reliability of such associates as Mr. LaRue—you have described him as a good person—Mr. Mitchell and Mr. Kalmbach. When did you suspect that something was wrong?

Mr. STANS. I did not have any suspicions about any of these people until after the disclosures in the press following, I believe it was March 23, when Mr. McCord wrote his letter.

Then, on page 1770 of the testimony, on line 20:

Senator TALMADGE. Mr. Stans, did that not raise suspicions in your mind as to the possible illegal or unethical uses of the money that Mr. Magruder was disbursing?

Mr. STANS. No question about that. But those suspicions began to generate earlier than that, particularly on June 28, when Mr. Liddy was discharged for failing to cooperate with the FBI.

Now, you have stated in response to Senator Inouye's question that you had no suspicions until March 23 this year. You stated in response to the question that I had asked you that your suspicions arose earlier than that, but particularly on June 28.

So when did you first get suspicious that something was rotten in Denmark?

Mr. STANS. Well, I think I can clear that up very easily. The first quotation you recited was as to men like LaRue and Kalmbach and I was not suspicious of them until sometime after March 23d. But my suspicions as to Gordon Liddy began to grow shortly after the Watergate affair and that is the answer I was giving in the second part, so far as I can get it from your quotation. These were different people.

Senator TALMADGE. So you were suspicious about some individuals earlier than you were suspicious about others?

Mr. STANS. I was suspicious about Gordon Liddy within the week or 10 days that evolved after the Watergate disclosure, yes.

Senator TALMADGE. But your early suspicions were not enough to arouse more suspicions, is that correct?

Mr. STANS. Not as to the gentlemen you named, particularly as to Mr. LaRue and Mr. Kalmbach, both of whom I held in very high regard. And I do not think there was anything in the public press or anywhere to point any fingers of implication at either of them.

Senator TALMADGE. Thank you, Mr. Stans.

Thank you, Mr. Chairman.

Senator MONTOYA. Mr. Chairman, I just have one little clarification.

Mr. Stans, you indicated in your testimony throughout that Mr. Sloan was in charge of the money which was collected and the disbursements of the money that was collected and that your primary duty was to go out in the field and collect money and handle fund-raising events.

Mr. STANS. That is correct.

Senator MONTOYA. Now, were you in California and Iowa on a similar mission in early July?

Mr. STANS. Yes, approximately July 11 and 12, as I recall, yes.

Senator MONTOYA. And when had you left for that trip from Washington?

Mr. STANS. Well, I had left for that trip on approximately July 5. I went to Atlanta and several cities in Georgia. I went to Miami and elsewhere in Florida, spent the weekend in Florida; from there to California; from there to Seattle; from there to Portland; from there to Des Moines; and from there to Dayton, Ohio. I returned, I believe, on the night of the 13th, about 2 o'clock in the morning.

Senator MONTOYA. Were you in touch on or about the 6th of July with anyone connected with the White House or with the committee?

Mr. STANS. I was out of town, then. I do not recall any phone calls until I got to Flroida. I had a phone call from Bob Mardian.

Senator MONTOYA. And what was that telephone call about?

Mr. STANS. About the importance of my going to California. Mr. Mardian had been in charge of that region of States. There was a very difficult budget problem with the California Campaign Committee that had not been resolved and he wanted very much for me to go to California and try to work it out.

Senator MONTOYA. That was the only telephone call with Washington or anyone connected with the CRP or with the White House on that day?

Mr. STANS. Senator, I really do not know who I talked to. This is only one I can recall, it was the important one because I tried to get out of the trip, I wanted to go directly to Seattle.

Senator MONTOYA. To the best of your recollection, was that the only call?

Mr. STANS. To the best of my recollection now, yes.

Senator MONTOYA. And to the best of your recollection, was the conversation confined just to the very subject and urgency of going to California?

Mr. STANS. It was confined to that subject and to the suggestion that Mr. Sloan join me in California.

Senator MONTOYA. That is what I was getting at.

Now, who suggested to you that Mr. Sloan join you in California?

Mr. STANS. I think it was Mr. Mardian.

Senator MONTOYA. Did anyone else call you?

Mr. STANS. Well, you are testing my recollection now but I do not recall anyone else telling it.

Senator MONTOYA. Had you requested that Mr. Sloan join you?

Mr. STANS. No; I had not.

Senator MONTOYA. Did you ask Mr. Mardian why he should join you?

Mr. STANS. I do not recall any discussion on that. He thought it would be a good idea if Sloan were in California. It was one of our biggest States. The budget problem was serious, and whatever his reasons were for Sloan going along I do not recall them at this time. I do not know that he even told me.

Senator MONTOYA. Did you ever use Mr. Sloan in California during that trip for budgetary problems?

Mr. STANS. Mr. Sloan sat in the meeting.

Senator MONTOYA. Did he contribute anything to those meetings, any input?

Mr. STANS. I do not recall that he did.

Senator MONTOYA. Did he stay with you in your room or in the same hotel next to your room?

Mr. STANS. I think he was in the same hotel in a room somewhere but I do not know where it was.

Senator MONTOYA. Did he discuss the fact that Magruder had been trying to get him to perjure himself with you?

Mr. STANS. Well, I really do not know whether he discussed it on that trip or not or whether that had come out earlier.

Senator MONTOYA. Well, you must have discussed something about the Magruder involvement during that trip. Did you?

Mr. STANS. I do not think we did. I do not recall it.

Senator MONTOYA. Did you discuss anything about Watergate with Mr. Sloan during that trip?

Mr. STANS. Well, again, I think there were some discussions with Mr. Sloan toward the end of the trip but let me tell you what we were doing.

We had a budget meeting with the California people that lasted quite late. I flew that night quite late. It was midnight, before I got to Seattle. The next day I had a series of meetings beginning with breakfast, then private meetings, a luncheon meeting and a series of other meetings during which time Mr. Sloan met with the treasurer of the Washington finance committee. We left that afternoon late or evening, I guess it was either late that evening or early the next morning for Portland, Oreg., and I had a similar schedule.

Mr. Sloan again met and talked with the treasurer of the Oregon State committee, so far as I can recall. We had a very busy time, and it was not until——

Senator MONTOYA. I know. Well, you had a little social conversation together, did you not?

Mr. STANS. Yes, we did but the one, the only ones I recall were——

Senator MONTOYA. Did you socialize about Watergate?

Mr. STANS. Senator, I really do not recall. We talked about it, we talked about it in terms of general interest, the nature of his concerns, but I do not know anything fundamental or new that came out in the course of that trip.

Senator MONTOYA. Do you mean to tell me that Mr. Sloan did not express to you his concern about Mr. Magruder's attempts to get him to perjure himself?

Mr. STANS. Well, I said Mr. Sloan had said that to me on one occasion, I do not know whether it was on that trip or whether it was before we made the trip.

Senator MONTOYA. Would you say that it was either on that trip or before, one of the two?

Mr. STANS. I would be inclined to think so, yes, but I am not even sure of that. I do not see how I can fix the dates of any one conversation.

Senator MONTOYA. If you knew that and if he did that either on that trip or before, why do you say that you had no knowledge of anything disparaging about Mr. Magruder until March 23 of this year of 1973?

Mr. STANS. Well, I do not really think I said I had no knowledge of anything disparaging about Mr. Magruder.

Senator MONTOYA. I believe that was your indication.

Mr. STANS. I said I had no knowledge about anything disparaging about Mr. LaRue, Mr. Kalmbach and others but I did have in mind what Mr. Sloan had told me. But Mr. Sloan told it to the grand jury and as time went on it was evident that the grand jury did not think that it was anything that they were going to act on, and that was as far as I was concerned, the extent of my interest and concern.

Senator MONTOYA. Now, did Mr. Sloan divulge to you that he had had a meeting with the attorneys, Mr. Parkinson and Mr. O'Brien

and informed them of the attempts on the part of Mr. LaRue that he go before the grand jury and claim the fifth amendment?

Mr. STANS. I do not recall that Mr. Sloan ever told me that.

Senator MONTOYA. You were aware that he had met with Mr. LaRue on the day he returned from the California trip, were you not?

Mr. STANS. Well, I really have no direct recollection of it. I have heard his testimony later on to that effect.

Senator MONTOYA. He did call you on the telephone that night, did he not?

Mr. STANS. He called me in Des Moines or Dayton, Ohio, before I returned to Washington, yes.

Senator MONTOYA. And did you not tell him in that telephone conversation that you said "Let us not discuss this on the phone. I will be in the office."

Mr. STANS. He was talking about his resignation, and I said let us not discuss this on the telephone. Mr. Sloan is a very valuable man. I did not want to lose him. One of the reasons why I welcomed him going on the trip, I wanted him to participate in the meetings, to hear the discussions, to develop some of the enthusiasm of the campaign, and I did not want to lose Mr. Sloan when it was evident that he had concluded that he wanted to leave.

Senator MONTOYA. Well, actually, you were aware there were more than 2 months between the time that Sloan talked to you and the grand jury acted, were you not?

Mr. STANS. I would say something like that, yes.

Senator MONTOYA. Well, were you not aware of this?

Mr. STANS. I think that is about what all it was.

Senator MONTOYA. Thank you.

Then, if Mr. Sloan resigned to you and discussed his resignation with you do I understand that Mr. Sloan worked under you and was responsible to you for his acts as treasurer?

Mr. STANS. Mr. Sloan was responsible under the law for his acts as treasurer directly in reporting to the Comptroller General but I was the chairman of the committee, I coordinated its activity. Mr. Sloan consulted with me, I consulted with him, and the relationship was exactly that as I described it.

Senator MONTOYA. But in theory and practice, he did work under you.

Mr. STANS. On the organization chart Mr. Sloan worked under me, right.

Senator MONTOYA. Thank you.

Senator INOUYE. Mr. Secretary, in past scandals, political scandals, such as the Teapot Dome scandal, the crime involved was the use of money for personal gain or personal purposes.

Many have suggested that in the activity now under consideration by this select committee, none of the funds were ever used for personal gain or personal purposes. Are you aware of any of the funds that were under your control were ever used for personal purposes or personal gain?

Mr. STANS. I am not aware of anyone connected with either committee who profited financially as a result of any of these results other than as a salary and normal reimbursement of expenses.

Senator INOUYE. You can't quite be definite, can you, after you told the committee that you were not aware of what the cash disbursements were used for?

Mr. STANS. No, that is right. That is why I say I am not aware of anything. Obviously some of it apparently went to the role of Mr. McCord and Mr. McCord has testified that he got compensation for quite a period of time after he was discharged.

Senator INOUYE. Now, as the events have unfolded have you as chairman of the Finance Committee To Re-Elect the President made any attempt to investigate what uses these moneys were put to?

Mr. STANS. I am not sure which moneys you are referring to.

Senator INOUYE. The cash disbursements.

Mr. STANS. The cash disbursements. I have not conducted an independent investigation that could be described in those terms. I have learned a great deal about these items, I have inquired into some of them, and I am conversant with most of them by this time but not in terms of having made an investigation.

Senator INOUYE. How would you respond to my inquiry by the Internal Revenue Service if they became interested in the use of these funds?

Mr. STANS. Well again it would be a matter of which funds. If I look at the chart and go down the names, I would say that it would be necessary for each of these people to justify his receipt and use of the funds but I would not be in a position to know whether they could account for them properly or whether they would be taxable on them.

Senator INOUYE. Now that there is a great possibility that some of these funds have been used for unintended purposes, such as the coverup, will you as chairman of the finance committee make an effort to get the fund returned to its proper place?

Mr. STANS. Senator, I had not thought of that as a responsibility until now.

Senator INOUYE. Whose responsibility would that be, sir?

Mr. STANS. I do not know. I think I should discuss that with counsel and see whether there is a responsibility to recover any of those funds.

Senator INOUYE. Do you think there is an obligation to those who contributed?

Mr. STANS. I think it is a very valid suggestion and I thank you for making it. [Laughter.]

Senator INOUYE. Thank you very much, Mr. Secretary.

Senator ERVIN. The audience will please refrain from laughter.

The committee has decided to, and I think this is satisfactory to all members of the committee, that we will hold, if necessary, a session on Monday. Of course we have sessions scheduled for Tuesday, Wednesday, and Thursday of next week and if it is satisfactory we will hold hearings Monday, Tuesday, and Wednesday, June 25, 26, and 27. That is the last week before the Fourth of July recess, and if there is no objection to that being done———

Mr. STANS. Mr. Chairman, before you recess, if that is your intention, may I have the opportunity under the committee's rules of a closing statement.

Senator ERVIN. Yes sir.

Mr. STANS. Mr. Chairman, I want to thank the committee for your consideration and for the opportunity to me to present my story for

the first time. I hope that it creates a picture of a very difficult undertaking, a frenzied activity on my part and on the part of the finance committee in trying to meet the obligation of the campaign. I have done my best to recall from all the records I have everything to answer the committee's questions but I am only human and I can only tell what I know.

Now, I do want to say something about three elements: First, I would like to talk about the people in the finance committee. Under the conditions of separateness, and I won't use the term watertight in view of Senator Baker's comment this morning, but under the conditions of separateness between the two committees, I am confident that no one in the finance committee, except of course Gordon Liddy, had any knowledge of or participation in the Watergate affair or any other espionage or sabotage activities.

When all the testimony is in in the course of your hearings, I am confident that you will find that everyone connected with the finance committee has cooperated fully, and that all of them are innocent of any involvement. I want to say so particularly with respect to our two treasurers, Hugh Sloan and Paul Barrick.

Now much has been made of a few differences in recollection between me and Mr. Sloan. That ignores all of the common ground between our testimony and there is a great deal of it, and above all the differences that have come out between the recollection of Mr. Sloan and me really related to financial reporting rather than to any responsibility for espionage or sabotage, not with regard to the Watergate affair.

The second thing I would like to talk about briefly is about the contributors. Among all of our committees in this campaign there were about a million contributions received for the President and the Republican Party. Some of them came from wealthy people, some of them came from people in the middle strata, and some from poor people. We received amounts from $1 or less up to a very large amount in a million or more. I have always urged people in the course of my travels and solicitation to contribute according to their means, according to their ability to give, just as they pay taxes.

So it is true there were some large contributions, some very large contributions. But the idea is being purveyed in some circles that no one gives a substantial amount of money to a campaign without buying something in return, without the expectation of a favor.

I think most of the members of the committee would agree with me that that is vicious, that is a lie, and it is belittling to our self-respect as a people.

I would like to give a couple of examples. Clement Stone of Chicago, pretty well known now, gave $2 million to elect the President. He gave a lot in 1968. He is a very wealthy man and he can afford it. He believes in the President and knows him as a friend. Clement Stone has never asked for anything from his Government or the administration in return. He has done it because he believes it is a public service from a man of wealth.

I would like to give you another case: Ray Kroc is a man in Chicago who is responsible for the development of the McDonald hamburger chain. I visited with him in Chicago in September for about 45 minutes, I had never met him before. I talked about the campaign and we discussed his success story.

Mr. Kroc said:

On October 3, I am going to have my 70th birthday, and in appreciation for what I have been able to achieve I am going to give millions of dollars of my money to charity.

I said:

Mr. Kroc, you are a beneficiary of the great American system and I am sure you believe in it. I have reason to believe that you think the President will help to preserve that system and I would like to make a suggestion. When you get to October 3 and make those distributions to charity, why don't you at the same time give $250,000 to help re-elect the President.

He did. There was no discussion in that meeting of anything else.

Now, what happened after his contribution became known? First the press accused him of making the contribution so that he could influence the Price Commission on matters affecting his company.

Secondly, he was accused of making the contribution so that he could get a lower minimum wage for the young people who work for his company. He was insulted by these insinuations and falsehoods, they were vicious and unfair, completely conjectural without any fact whatever.

My point is there are many people like Mr. Kroc who believe in the country, who believe in the party, who believe in principles, and who may believe at a given time in a candidate. There are very few people who want to collect in return for their contribution, and they don't get very far under either party that is in power, Democrats or Republicans.

I think the time has come to express more confidence in the honor and integrity of our fellowmen, whether they are rich or poor, and stop manufacturing reasons to attack people who merely exercise their right of citizenship by making a political contribution.

I want to say one thing more about innocent people and I will be finished. In the course of all the things that have happened since June 17, a lot of innocent people have been drawn through the mire of unrelenting publicity, insinuations, accusations, charges. To name a few, Kenneth Dahlberg, Dwayne Andreas, Robert Allen, and there are a considerable number of others, who paid a horrible price merely because they participated in a campaign as a contributor or as a worker, a price in time and in expenses and even in their reputations. There have been very damaging effects on their businesses and on their personal lives. It is very unfair. Somebody has got to speak up for those those people. So when the committee concludes its work and writes its report, I hope it will make it clear that such people, and by name, are innocent victims of this tragedy. I hope that people like Hugh Sloan and others in the limelight of adverse publicity will be directly cleared.

I put myself in that category. I volunteered or was drafted, whatever the case may be, because I believed in my President. You know by now from what you have heard, but I know you cannot feel, the abuse to which I have been subjected because of the associations I fell into. All I ask, Mr. Chairman and members of the committee, is that when you write your report you give me back my good name.

Thank you very much.

Senator ERVIN. Mr. Stans, you were placed in a rather embarrassing situation in being called upon by the committee to testify and that was the reason that I stated that I commend your lawyer for the very

excellent and very eloquent statement that he made in support of your position. I am a lawyer and sometimes we lawyers get a little overzealous and all that, but I have a profound respect for the legal profession, and I do not think a finer service can be rendered than for an attorney to see that his client's rights are protected.

Notwithstanding the fact that owing to the existing situation it was somewhat embarrassing for you to appear, I want to thank you on behalf of the committee for appearing before the committee and testifying in substantial detail in connection with all the matters you were asked about.

Thank you very much.

Senator BAKER. Mr. Chairman, if I may before the witness is excused, I would like to associate myself with the remarks of the chairman and also express our appreciation to Mr. Stans for appearing as a witness.

I hope now that with this phase of his testimony concluded, that the concern about the involvement in testimony of other matters in other forums has been dispelled, that we have not trespassed or encroached on other inquiries. We do not intend to put you in an embarrassing position. We do not intend to create for you problems and difficulties. But we do not intend to do less than the very best we can to get all the facts and to follow those facts wherever they lead us. I think you have been very helpful in that respect and we thank you for it.

Mr. STANS. Thank you.

Senator ERVIN. It may be later the committee will recall you for further testimony, not in connection with matters you have been interrogated about but in connection with campaign contributions in general, but we will try to do that at your convenience as far as possible.

Mr. STANS. Thank you.

Senator ERVIN. Thank you very much.

The committee will stand in recess until 10 o'clock tomorrow.

[Whereupon, at 4:20 p.m., the hearing was recessed, to reconvene at 10 a.m., Thursday, June 14, 1973.]

THURSDAY, JUNE 14, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to recess, at 10:05 a.m., in room 318, Russell Senate Office Building, Senator Sam J. Ervin, Jr. (chairman), presiding.

Present: Senators Ervin, Talmadge, Inouye, Montoya, Baker, Gurney, and Weicker.

Also present: Samuel Dash, chief counsel and staff director; Fred D. Thompson, minority counsel; Rufus L. Edmisten, deputy chief counsel; Arthur S. Miller, chief consultant; Jed Johnson, consultant; David M. Dorsen, James Hamilton, and Terry F. Lenzner, assistant chief counsels; Barry Schochet, Ron Rotunda, and Marc Lackritz, assistant majority counsels; Eugene Boyce, hearings record counsel; Donald G. Sanders, deputy minority counsel; Howard S. Liebengood, H. William Shure, and Robert Silverstein, assistant minority counsels; Pauline O. Dement, research assistant; Eiler Ravnholt, office of Senator Inouye; Robert Baca, office of Senator Montoya; Ron McMahan, assistant to Senator Baker; A. Searle Field, assistant to Senator Weicker; Michael Flanigan, assistant publications clerk.

Senator ERVIN. I would like to state for the purposes of the record that Mr. Magruder has appeared in person and by counsel in an executive session before the chairman of the committee and the committee staff, and at that session he was required to testify notwithstanding his constitutional privilege under an order of immunity entered by Judge Sirica. For that reason I would like to reveal all the testimony which Mr. Magruder has heretofore given to the chairman and the committee staff and all of the testimony which he will give to the Select Committee on this occasion, is given by him pursuant to an order of immunity entered by Judge Sirica, pursuant to sections 6002 and 6005 of title 18 of the United States Code.

Mr. Magruder, will you stand up? Do you swear that the evidence which you shall give to the Senate Select Committee on Presidential Campaign Activities shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MAGRUDER. I do.

Mr. DASH. Mr. Magruder, will you state your full name and address?

TESTIMONY OF JEB STUART MAGRUDER; ACCOMPANIED BY JAMES J. BIERBOWER, COUNSEL

Mr. MAGRUDER. Jeb Stuart Magruder, 4814 Fort Sumner Drive, Bethesda, Md.

Mr. DASH. You are accompanied by counsel at this proceeding?

Mr. MAGRUDER. Yes, sir.

Mr. DASH. Will counsel please identify himself for the record?

Mr. BIERBOWER. James Bierbower, Washington, D.C.

Mr. DASH. Mr. Magruder, what is your present position?

Mr. MAGRUDER. I am a consultant.

Mr. DASH. And are you a private consultant, do you have a firm name?

Mr. MAGRUDER. Yes, Metropolitan Research Services, and I am a private consultant.

Mr. DASH. Prior to that position did you hold a position at the Committee To Re-Elect the President?

Mr. MAGRUDER. Yes; I was deputy campaign director.

Mr. DASH. And prior to that time did you hold a position at the White House?

Mr. MAGRUDER. Yes; I was special assistant to the President and deputy director for communications in the executive branch.

Mr. DASH. Over what period of time did you have that position at the White House?

Mr. MAGRUDER. From October 1969 until May 1971.

Mr. DASH. Was it at that time that you went over to the campaign activities for the reelection of the President?

Mr. MAGRUDER. Yes; that is correct.

Mr. DASH. Can you tell us the circumstances which led you to take on the responsibilities of the campaign?

Mr. MAGRUDER. We had begun discussing the 1972 campaign in early 1971. Mr. Mitchell and Mr. Haldeman in particular were concerned and responsible for the campaign at that early stage, and it was decided that certain White House staff members and other individuals would begin the preparatory work for the campaign. It was agreed that it would not be done at the White House but would be done outside and consequently, in May 1971, myself and a number of others began the activities for the Committee To Re-Elect the President.

Mr. DASH. Who particularly made a decision that you were to go over to be active in the campaign?

Mr. MAGRUDER. I would consider it a joint decision between Mr. Haldeman and Mr. Mitchell.

Mr. DASH. Now, what was your first position in the campaign activities?

Mr. MAGRUDER. Basically, I was responsible for planning and the general administrative activities relating to what I might consider the inside activities of the campaign—advertising, direct mail, telephone, press and public relations, surrogate program, and the inside activities.

Mr. DASH. There came a time, did there not, when there was a more organized Committee To Re-Elect the President and you held a particular position. Would you tell us about that?

Mr. MAGRUDER. Yes; that is correct. Approximately in March 1972, Mr. Mitchell became campaign director. I was named chief of staff in July 1972. When Mr. MacGregor became campaign director, I became deputy campaign director.

Mr. DASH. Briefly, Mr. Magruder, from the time you went over for the campaign could you tell us what Mr. Mitchell's role was and what Mr. Haldeman's role was?

Mr. MAGRUDER. Well, from the beginning Mr. Mitchell was responsible for the campaign and I reported——

Mr. DASH. When you say "beginning," what date would you put that on?

Mr. MAGRUDER. That would have been May 1971. He was responsible for the campaign. I reported directly to him. Mr. Haldeman was basically our liaison, and his liaison activities were primarily related to him through Mr. Gordon Strachan at the White House.

Mr. DASH. Under whose directions did you operate in your role on the committee?

Mr. MAGRUDER. Mr. Mitchell's.

Mr. DASH. What position did Mr. Gordon Strachan have from January 1972 to June 17, 1972?

Mr. MAGRUDER. He was staff assistant at the White House and he was Mr. Haldeman's aide and liaison to our committee.

Mr. DASH. And how did he play that liaison role between the Committee To Re-Elect the President and the White House staff and particularly Mr. Haldeman?

Mr. MAGRUDER. He played a very direct role with all of the members of the staff, particularly myself and other senior members. He consolidated our work for Mr. Haldeman for whatever needs Mr. Haldeman or the President needed the information from the campaign committee. He received copies of all our documents and worked very closely with us.

Mr. DASH. Would it be true, Mr. Magruder, that aside from any direct contacts that Mr. Haldeman would have with you or the committee, that any communications the committee would have with the White House would be through Mr. Strachan?

Mr. MAGRUDER. Yes; that is correct.

Mr. DASH. Now, did there come a time when Mr. Gordon Liddy joined your staff?

Mr. MAGRUDER. Yes.

Mr. DASH. When did that happen and how did this occur?

Mr. MAGRUDER. In December.

Mr. BIERBOWER. Mr. Dash, could he read a brief statement that we overlooked—just very brief—since it fits in here?

Mr. DASH. All right.

Mr. MAGRUDER. Thank you. I did have a statement, I did want to read it in the beginning.

I did help organize the Committee To Re-Elect the President beginning in May 1971 and I remained there throughout the entire campaign. Unfortunately, we made some mistakes in the campaign which have led to a major national concern. For those errors in judgment that I made I take full responsibility. I am, after all, a mature man and I am willing to face the consequences of my own acts. These mistakes were made by only a few participants in the campaign. Thousands of persons assisted in the campaign to reelect the President and they did nothing illegal or unethical. As far as I know at no point during this entire period from the time of planning of the Watergate to the time of trying to keep it from the public view did the President have any knowledge of our errors in this matter. He had confidence in his aides and I must confess that some of us failed him.

I regret that I must today name others who participated with me in the Watergate affair. This is not through any desire to implicate others

but simply to give you the facts to the best of my recollection. Thank you.

Mr. DASH. All right, Mr. Magruder, again, the question, did there come a time when Mr. Gordon Liddy joined your staff and would you tell us when that happened and how did this occur?

Mr. MAGRUDER. He joined our staff in December 1971. At that point in time we had been needing the assistance of legal counsel in many areas primarily in filing for 23 primary campaigns the President was going to enter and relating to the new election law. Before this time we had been using basically John Dean and his legal staff to assist us, and John was looking for an attorney, was looking for an attorney to assist us. We had gone through a number of names and in December John indicated to me—John Dean indicated to me that he had found an attorney that was acceptable to the then Attorney General, and he brought G. Gordon Liddy to my office on a Friday early in December. He discussed with me his legal abilities and the general counsel's activities and he also indicated that he would need an individual to engage in intelligence-gathering operations; that he had considerable background in this area. Mr. Dean and I and Mr. Mitchell had discussed the intelligence-gathering situation previously, and Mr. Dean brought Mr. Liddy over for both those purposes and approximately a week later—I think December 13 exactly, Monday—he joined our staff as general counsel.

Mr. DASH. With regard to these intelligence operations which Mr. Liddy now was going to undertake, could you give us some of the context of the earlier plans on the intelligence operations that Mr. Liddy was going to fill?

Mr. MAGRUDER. In September 1971 we had a luncheon meeting, John Dean called and asked me to join him and Jack Caulfield for lunch. At that time they had envisioned a private investigating firm being formed by Mr. Caulfield. They called the project Sandwedge and the idea would be Mr. Caulfield would leave the White House for this private investigating firm and this firm would then be available then for the Committee To Re-Elect the President.

In November 1971 it was indicated to me that the project was not going to get off the ground and consequently G. Gordon Liddy came into the picture after that.

Mr. DASH. When Mr. Liddy did come into the picture were you aware of his prior relationships in the White House with the so-called plumbers group?

Mr. MAGRUDER. No; I was not.

Mr. DASH. Were you aware at all of his activity with Mr. Hunt and others—the break-in at the Ellsberg psychiatrist's office?

Mr. MAGRUDER. No; I was not.

Mr. DASH. Who finally approved Mr. Liddy's position at the committee?

Mr. MAGRUDER. Mr. Mitchell.

Mr. DASH. What, if anything, did Mr. Liddy tell you about an intelligence operation that he was authorized to plan?

Mr. MAGRUDER. The next week, the week he began work for us we met on a Tuesday and discussed basically the new election law. At that time he indicated to me that he had discussed a broad gaged intelligence plan with members of the White House staff. He men-

tioned particularly Mr. Dean. He did mention other individuals but I cannot recall their names, and indicated he had been told he would have approximately $1 million budget. I indicated to him at that time that $1 million budget was a sizable budget and that he should prepare the background documents necessary to justify this budget and that he would then have an opportunity to present the budget to the Attorney General.

Mr. DASH. Now, did there come a time when Mr. Liddy did present his plan to the Attorney General, Mr. Mitchell?

Mr. MAGRUDER. Yes. In February I set up an appointment with Mr. Mitchell and John Dean on February 27 at 4 in the afternoon.

Mr. DASH. On February——

Mr. MAGRUDER. The first meeting was February 27.

Mr. DASH. May I refresh your recollection, Mr. Magruder, do you mean February 27 or January 27?

Mr. MAGRUDER. I am sorry, January 27, 1971. And we had a meeting in Mr. Mitchell's office at 4 in the afternoon as I recall it.

Mr. DASH. Who attended that meeting in Mr. Mitchell's office on January 27?

Mr. MAGRUDER. Mr. Mitchell, Mr. Dean, Mr. Liddy, and myself.

Mr. DASH. Prior to the meeting on January 27, did you know any of the details of the plan that Mr. Liddy was going to present on that day?

Mr. MAGRUDER. No, I did not.

Mr. DASH. Could you describe in detail what occurred on January 27 in Mr. Mitchell's office?

Mr. MAGRUDER. Mr. Liddy brought with him a series of charts, they were professionally done charts, and had color, some color, on each of the charts. As I recall there were approximately six charts. Each chart contained a subject matter and was headed by a code word. I cannot recall many of the code words, the one I do recall is Gemstone. I think one was called Target but I cannot specifically recall the other code words. Each chart had a listing of certain types of activities with a budget and, as I recall, there was one chart that totaled up the activities and the budget totaled to the $1 million figure that he had mentioned previously.

Mr. DASH. Mr. Liddy was presenting this in the form of a show and tell operation?

Mr. MAGRUDER. Yes, that is correct.

Mr. DASH. What were the size of these charts?

Mr. MAGRUDER. As I recall, they were approximately probably the size of the chart that is on the display stand.

Mr. DASH. Were they on an easel or display stand in the Attorney General's office?

Mr. MAGRUDER. Yes.

Mr. DASH. Do you have any idea where these charts were prepared or who prepared them?

Mr. MAGRUDER. No, I do not.

Mr. DASH. You say the charts dealt with various projects and they had code names on them. Could you give us to your best recollection what some of these projects were?

Mr. MAGRUDER. This was, of course, the projects, including wiretapping, electronic surveillance, and photography. There were projects

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relating to the abduction of individuals, particularly members of radical groups that we were concerned about on the convention at San Diego. Mr. Liddy had a plan where the leaders would be abducted and detained in a place like Mexico and that they would then be returned to this country at the end of the convention.

He had another plan which would have used women as agents to work with members of the Democratic National Committee at their convention and here in Washington, and hopefully, through their efforts, they would obtain information from them.

Mr. DASH. With regard to these women——

Senator ERVIN. I am going to ask the audience to please refrain from laughter or any kind of demonstration.

Mr. DASH. With regard to the use of these women as agents, did this involve the use of a yacht at Miami?

Mr. MAGRUDER. He envisioned renting a yacht in Miami and having it set up for sound and photographs.

Mr. DASH. And what would the women be doing at that time?

Mr. MAGRUDER. I really could only estimate, but——

Mr. DASH. Based on his project, from your recollection. What did he indicate?

Mr. MAGRUDER. Well, they would have been, I think you could consider them call girls.

Mr. DASH. Do you recall any project dealing with a mugging project involving demonstrators?

Mr. MAGRUDER. I do not specifically recall that.

Mr. DASH. Now, what was the total budget that he presented at this meeting?

Mr. MAGRUDER. Approximately $1 million.

Mr. DASH. How long did Mr. Liddy's presentation take?

Mr. MAGRUDER. Approximately 30 minutes.

Mr. DASH. Mr. Magruder, what was Mr. Mitchell's reaction, Mr. Dean's reaction, and your own reaction when you heard this presentation?

Mr. MAGRUDER. I think all three of us were appalled. The scope and size of the project was something that at least in my mind was not envisioned. I do not think it was in Mr. Mitchell's mind or Mr. Dean's, although I can't comment on their state of mind at that time.

Mr. Mitchell, in an understated way, which was his method of dealing with difficult problems like this, indicated that this was not an acceptable project.

Mr. DASH. And did Mr. Mitchell give Mr. Liddy any instructions at the end of this meeting?

Mr. MAGRUDER. He indicated that he would go back to the drawing boards and come up with a more realistic plan.

Mr. DASH. So it would be true that Liddy, at least, left that meeting without being discouraged from continuing to plan an intelligence operation.

Mr. MAGRUDER. I would say he was discouraged, but he was given the right to come up with a more reasonable plan.

Mr. DASH. Did you have any discussion with Mr. Liddy after the meeting?

Mr. MAGRUDER. Yes, he left with John Dean and I on our way back to the committee and indicated his being disturbed because he had

assumed that everyone would have accepted this project at face value. We indicated that certain of these things were inappropriate and that he would have to redo them and come back at a later date.

Mr. DASH. Did you make any report of the meeting to anyone after the meeting?

Mr. MAGRUDER. Yes, I made a report to Mr. Strachan at the White House.

Mr. DASH. Now, did you disclose everything concerning that meeting to Mr. Strachan?

Mr. MAGRUDER. I do not recall at that meeting whether Mr. Liddy had had these charts put into 8½ x 11 size to hand out. If he had, I would have sent those over to Mr. Strachan. I do remember discussing it. I do not recall in this meeting whether we had working papers and so I can't recall specifically; I think just on the phone I discussed the general nature of his proposal.

Mr. DASH. Was this telephone conversation with Mr. Strachan in which you reported the general nature of the discussion consistent with your general reporting to Mr. Strachan as you did from time to time, matters that should get to the White House staff?

Mr. MAGRUDER. Yes, everything that I did at the committee, everything that we did was staffed to Mr. Strachan so that he could alert other officials at the White House as to our activities.

Mr. DASH. Was there a second meeting on the Liddy plan, Mr. Magruder?

Mr. MAGRUDER. Yes, the following week in February, February 4, as I recall, we met at 11 in the morning.

Mr. DASH. How did that meeting come about, who attended?

Mr. MAGRUDER. Mr. Liddy indicated that he was ready to discuss a reduced proposal. I alerted Mr. Dean and he set up an appointment with Mr. Mitchell and we reviewed a reduced proposal.

Mr. DASH. Where was this meeting?

Mr. MAGRUDER. At the Justice Department.

Mr. DASH. Was it in Mr. Mitchell's office?

Mr. MAGRUDER. Yes. We met in Mr. Mitchell's office. He did not have charts this time, but rather had——

Mr. DASH. You mean Mr. Liddy did not?

Mr. MAGRUDER. Mr. Liddy did not have charts. He had them reduced on 8½ x 11 pages and the scope was reduced considerably.

Mr. DASH. What was retained and what was out?

Mr. MAGRUDER. I cannot recall specifically what was in or what was out. I do know that the discussion, after his discussion with us, related only to the wiretapping and photography and not to any of the other projects. They had been basically discarded.

Mr. DASH. I think you may have testified to this, but who was present at this second meeting, Mr. Magruder?

Mr. MAGRUDER. Mr. Mitchell, Mr. Dean, Mr. Liddy, and myself. Mr. Dean came in approximately 15 minutes or so late, but was there for most of the meeting.

Mr. DASH. At this time, as you have stated, the project primarily dealt with wiretapping and photographing. Were any targets specifically mentioned, either by Mr. Liddy or anybody at the meeting?

Mr. MAGRUDER. At that meeting, we did discuss potential targets, we discussed the potential target of the Democratic National Committee

headquarters, primarily because of information we had relating to Mr. O'Brien that we felt would be possibly damaging to the Democratic National Committee. We discussed the possibility of using electronic surveillance at the Fontainebleau Hotel, which was going to be the Democratic National Committee headquarters, and we discussed the potential of using the same method at the Presidential headquarters. At that time, we did not know who the candidate would be, so it was simply an indication that that would be a target of interest.

Also at that meeting, Mr. Mitchell brought up that he had information as I recall, and I think it was Mr. Mitchell—it was either Mr. Mitchell or Mr. Dean—that they had information relating to Senator Muskie that was in Mr. Greenspun's office in Las Vegas. He was a publisher of the newspaper in Las Vegas.

Mr. DASH. Do you know his full name?

Mr. MAGRUDER. As I recall, Mr. Henry Greenspun, I think, or spun—Greenspan or Greenspun, I think was his name. He is the publisher of the Las Vegas newspaper.

Mr. Liddy was asked to review the situation in Las Vegas to see if there would be potential for an entry into Mr. Greenspan's——

Mr. DASH. Potential for what?

Mr. MAGRUDER. Potential for an entry into Mr. Greenspun's office.

Mr. DASH. Do you know what it was they were looking for in Mr. Greenspun's office?

Mr. MAGRUDER. No, I do not.

Mr. DASH. Do you know what the information was that Mr. Mitchell mentioned concerning Mr. O'Brien?

Mr. MAGRUDER. Yes. We had had information from reliable sources that at the Democratic National Convention, they had a business exposition. The business exposition was being put on by a separate business exposition company. It was our understanding that the fee the business concern paid to this business company was then kicked back or partially kicked back to the Democratic National Committee to assist them in the payment of their debts.

Mr. DASH. Aside from that kind of information, what was the general information or general kind of information that you would be looking for in these break-ins or electronic surveillance?

Mr. MAGRUDER. Well, I think at that time, we were particularly concerned about the ITT situation. Mr. O'Brien has been a very effective spokesman against our position on the ITT case and I think there was a general concern that if he was allowed to continue as Democratic national chairman, because he was certainly their most professional, at least from our standpoint, their most professional political operator, that he could be very difficult in the coming campaign. So we had hoped that information might discredit him.

Mr. DASH. All right.

How did that meeting end? What was Mr. Mitchell's reaction to this presentation at the second meeting?

Mr. MAGRUDER. It still was disapproval or, let's say, I should say we agreed that it would not be approved at that time, but we would take it up later; that he just didn't feel comfortable with it even at that level.

Mr. DASH. But again, would it be true to say that at least Mr. Liddy was encouraged to continue in his planning?

Mr. MAGRUDER. Yes, I think that is correct.

Mr. DASH. Now, after this meeting, Mr. Magruder, did you report to anyone about the meeting?

Mr. MAGRUDER. Yes, I sent the documents that Mr. Liddy had given us at the meeting to Mr. Strachan.

Mr. DASH. And again, was this in your normal course of using Mr. Strachan to the White House staff people such as Mr. Haldeman?

Mr. MAGRUDER. Yes, I automatically sent all documents to Mr. Strachan.

Mr. DASH. And did those documents contain all of what Mr. Liddy had presented at that meeting?

Mr. MAGRUDER. Certainly, all of the specific discussion. They did not contain, as an example, the discussion on targets, because that was a discussion, and that was not in the documents.

Mr. DASH. Did you have a telephone conversation with Mr. Strachan concerning that meeting?

Mr. MAGRUDER. Yes, I indicated the general context of that meeting.

Mr. DASH. And did that include Mr. Mitchell's suggestions concerning the Las Vegas mission?

Mr. MAGRUDER. I cannot recall specifically that point, but I would assume that I probably discussed the key targets that we had discussed.

Mr. DASH. And that would include the Democratic National Committee headquarters and Mr. O'Brien?

Mr. MAGRUDER. Yes.

Mr. DASH. Did you discuss the meeting with anybody else, either at the committee or the White House?

Mr. MAGRUDER. I cannot recall discussing it with anyone else.

Mr. DASH. Was there any special role that Mr. LaRue played in the Committee for the Re-Election of the President?

Mr. MAGRUDER. Mr. LaRue was an adviser of Mr. Mitchell's. He was a close friend of Mr. Mitchell's. He had become a close friend of mine. He was someone who worked with all of us. We all felt he had an astute political judgment, and we worked very closely with Mr. LaRue on literally all matters that concerned the committee.

Mr. DASH. Did there come a time after the second meeting that you had some difficulty with Mr. Liddy, and Mr. LaRue played some role in that?

Mr. MAGRUDER. Yes.

Mr. DASH. Will you tell us about that?

Mr. MAGRUDER. In approximately mid-March, I had requested certain things from Mr. Liddy, I think relating to his legal work as general counsel, and they had not been forthcoming. I met him, ran into him on the third floor of our building, and asked him would he be more cooperative in producing the work that we needed quickly? He indicated some disturbance with me at that time.

I went upstairs and was somewhat agitated, and asked him to come upstairs and discuss this matter with me; and at that time, Mr. LaRue sat in on part of the meeting. At that time, we agreed that Mr. LaRue—Mr. Liddy would terminate from our committee completely at first and——

Mr. DASH. What was the difficulty that did occur, and what was the altercation, if you can be a little more specific?

Mr. MAGRUDER. Well, I simply put my hand on Mr. Liddy's shoulder, and he asked me to remove it and indicated that if I did not, serious consequences could occur.

Mr. DASH. Was he more specific than serious consequences?

Mr. MAGRUDER. Well, he indicated that he would kill me. But I want to make it clear that I did not, I do not regard that and I do not now regard that as a specific threat. It was simply Mr. Liddy's mannerism. I think he was indicating to me that he did not care for his relationship with me. That was all.

Mr. DASH. Where, actually, did this particular meeting with you and Mr. Liddy occur?

Mr. MAGRUDER. The altercation or the meeting?

Mr. DASH. The altercation.

Mr. MAGRUDER. In the lobby of the third floor, the reception area of the committee.

Mr. DASH. And thereafter, there was a meeting with Mr. Liddy, and Mr. LaRue came up?

Mr. MAGRUDER. Yes.

Mr. DASH. Where did that happen?

Mr. MAGRUDER. In my office.

Mr. DASH. What happened at that time?

Mr. MAGRUDER. Well, at first we agreed, Mr. Liddy and I, that he would terminate from the committee all activities. Then we discussed the intelligence gathering, and he indicated at one point that possibly Mr. Hunt could become involved directly in this area, or that we could cease any consideration of that. At that time, as I recall, Mr. LaRue indicated that it would be best if we retained Mr. Liddy, at least in that area. But he was not overly specific. He just thought it was best that we keep things cool and not get too excited about the situation.

What we then agreed to was to terminate him from our committee as general counsel, but retain him in the area of intelligence gathering.

Mr. DASH. Well, now, at the time Mr. LaRue was anxious to have you keep Mr. Liddy in the intelligence gathering, did Mr. LaRue know what Mr. Liddy was planning to do?

Mr. MAGRUDER. I think in—again, Mr. LaRue sat in on many of our meetings, and he and I had and are still very close friends, and we discussed, I am sure, in general terms, Mr. Liddy's proposal. I could not recall a specific time, sitting down with Mr. LaRue, though, telling him exactly what Mr. Liddy's proposal were.

Mr. DASH. By the way, did you know at that time that Mr. Hunt was working with Mr. Liddy?

Mr. MAGRUDER. At that time—I think by that time, I had been encouraged by certain staff members at the White House to be sure that Mr. Hunt was not employed by us directly, but employed by Mr. Liddy. So I think I was aware at that time that he was.

Mr. DASH. What staff members at the White House made such encouragement?

Mr. MAGRUDER. Mr. Howard, Richard Howard.

Mr. DASH. Who is Mr. Richard Howard?

Mr. MAGRUDER. He was Mr. Colson's assistant.

Mr. DASH. What, if anything, did he say to you? What kind of encouragement did he give you?

Mr. MAGRUDER. He indicated that Mr. Hunt had completed his assignments at the White House, and since we were now engaged in intelligence activities, he thought I would find Mr. Hunt very valuable. I only met Mr. Hunt once, so I was not really quite sure in what terms he would be valuable. So I indicated to Mr. Howard that he should refer Mr. Hunt to Mr. Liddy and that Mr. Liddy would employ him. I did not know at that time that he and Mr. Liddy had worked together before.

Mr. DASH. Now, also concerning this altercation you had with Mr. Liddy and your decision to terminate his employment, did you receive any communication from any other person from the White House concerning Mr. Liddy?

Mr. MAGRUDER. Yes, evidently Mr. Liddy, after he left my office, went and saw Mr. Dean and then Mr. Strachan. I received a call from Mr. Dean encouraging me not to become personally concerned about Mr. Liddy, that I should not let my personal animosity and his get in the way of the project. And then I went over to the White House and was working with Mr. Strachan on normal campaign matters, and he brought up the same subject and, as we walked back to the committee—it was a Friday afternoon, I recall, and it was raining—he indicated that although he had the same personal difficulties with Mr. Liddy, that probably Mr. Liddy was quite professional in this intelligence gathering, and we should retain him in this area.

Mr. DASH. Did Mr. Egil Krogh ever talk to you concerning either Mr. Liddy or Mr. Hunt?

Mr. MAGRUDER. Mr. Krogh did talk to me about Mr. Liddy, and mentioned to me a number of times we should keep tight control over him but he was very effective.

Mr. DASH. Did you know at any time of Mr. McCord's participation in Mr. Liddy's plan?

Mr. MAGRUDER. No.

Mr. DASH. After the February 4 meeting in Mr. Mitchell's office, when the plan was not still approved, did there come a time when anyone else at the White House urged you to get the Liddy plan approved?

Mr. MAGRUDER. Yes. Mr. Charles Colson called me one evening and asked me, in a sense, would we get off the stick and get the budget approved for Mr. Liddy's plans, that we needed information, particularly on Mr. O'Brien. He did not mention, I want to make clear, anything relating to wiretapping or espionage at that time.

Mr. DASH. But in that discussion, did you get the impression yourself that he knew what the Liddy plan was?

Mr. MAGRUDER. Again I want to be careful. I knew Mr. Hunt was a close friend of Mr. Colson's, he had been referred to me earlier by Mr. Colson. I did make the assumption that he did know but he did not say that he did know but he did not say that he was aware of the specifics and never did say that to me at any time.

Mr. DASH. Would Mr. Colson be one of those persons who would be in line of communication to whatever Mr. Strachan was communicating to the White House?

Mr. MAGRUDER. I think Mr. Strachan worked closely with Mr. Colson, but his line of command was through Mr. Haldeman.

Mr. DASH. Was anybody present when you received that telephone call from Mr. Colson?

Mr. MAGRUDER. Mr. LaRue was.

Mr. DASH. Were there any further contacts that you had with Mr. Colson's assistant, concerning the call that Mr. Colson made to you?

Mr. MAGRUDER. Mr. Howard and I were fairly good friends. He had worked for me at the White House, and a number of times we discussed the general intelligence-gathering situation, and he did indicate what he thought was the professionalism, particularly of Mr. Hunt, and the need to gather this information. But I would like to make it clear there was a general, I think, atmosphere in the White House and the committee of the need to gather information. This was not necessarily information that would be gathered illegally.

Mr. DASH. Were Mr. Howard's discussions with you also urging you to try to pursue the Liddy plan?

Mr. MAGRUDER. Yes.

Mr. DASH. Now, did there come a time when you had a third and final meeting with Mr. Mitchell on the Liddy plan, on or about March 30, 1972?

Mr. MAGRUDER. Yes, we had. There had been a delay in the decision-making process at the committee because of the ITT hearings. Mr. Mitchell was on vacation at Key Biscayne. I went down to Key Biscayne, Mr. LaRue was there, and we met and went over approximately 30-some decision papers mainly relating to direct mail and advertising, the other parts of the campaign.

The last topic we discussed was the final proposal of Mr. Liddy's which was for approximately $250,000. We discussed it, brought up again the pros and cons. I think I can honestly say that no one was particularly overwhelmed with the project. But I think we felt that the information could be useful, and Mr. Mitchell agreed to approve the project, and I then notified the parties of Mr. Mitchell's approval.

Mr. DASH. What was the form, by the way, of the memorandum or decision paper that was presented to Mr. Mitchell at this meeting?

Mr. MAGRUDER. It was unlike our normal decision process where we had an "approved, disapproved, comment" line at the bottom. It was simply the same 8½ x 11 blank sheets typed up with the basics of the plan, the number of people he would have to hire, the number of electronic surveillance equipment and amounts he would have to purchase, and so on, and I used a system which I think Mr. Reisner has discussed where I made three copies of each document that I would discuss with Mr. Mitchell, one copy went to Mr. Strachan for Mr. Haldeman.

The other two copies I brought with me to Key Biscayne, I gave Mr. Mitchell the one copy, he did some markup on some of it, I cannot recall what he marked on these papers, indicated his approval, did not indicate it in any formal sense by initialing it or writing. Just indicated the project was approved.

Mr. DASH. Now, on the project prior to going down to Key Biscayne you would send over a copy to Mr. Strachan?

Mr. MAGRUDER. My formal position with Mr. Mitchell was we would send over key papers before we discussed it with Mr. Mitchell, so if there was any questions in those papers Mr. Haldeman or Mr. Strachan could get back to us their opinion on a subject.

Mr. DASH. All right.

Now, this quarter-million-dollar project you say Mr. Mitchell approved in Key Biscayne, what was that project specifically as you recall?

Mr. MAGRUDER. It was specifically approved for initial entry into the Democratic National Committee headquarters in Washington, and that at a further date if the funds were available we would consider entry into the Presidential contenders' headquarters and also potential at the Fontainebleau Hotel in Miami.

Mr. DASH. When you returned to Washington, Mr. Magruder, did you communicate to anyone that the Liddy plan on the quarter million dollar budget was approved?

Mr. MAGRUDER. Yes, I attempted to reach Mr. Liddy while I was at Key Biscayne because he had indicated time problems. I was unable to do so, so when I came back to Washington I indicated to Mr. Reisner that Mr. Liddy's project had been approved and would he notify Mr. Liddy? I called Mr. Strachan and indicated to him that the project had been approved, and I indicated to Mr. Sloan that Mr. Liddy would be authorized to draw $250,000 over the entire period of the campaign but that he probably would need a sizable amount of that initially.

Mr. DASH. Now, when you say that project as approved included the entry of the Democratic National Committee headquarters and perhaps other entries, did that also include the use of electronic surveillance or bugging?

Mr. MAGRUDER. I am sorry?

Mr. DASH. When you said the project that was approved in Key Biscayne——

Mr. MAGRUDER. With Mr. Strachan I discussed it in detail.

Mr. DASH. I am not referring to Mr. Strachan but the project Mr. Mitchell approved in Key Biscayne. I think you said the project included an approval of the entry into the Democratic National Committee headquarters. Did it also include use of electronic surveillance and bugging?

Mr. MAGRUDER. It included electronic surveillance and photography of documents, photographing of documents.

Mr. DASH. Mr. Sloan was told what?

Mr. MAGRUDER. That Mr. Liddy was allowed to draw $250,000.

Mr. DASH. But Mr. Strachan was given a fairly complete report on what was approved.

Mr. MAGRUDER. Yes.

Mr. DASH. Do you recall Mr. Sloan questioning an initial large sum of money, $83,000 which Mr. Liddy requested after the approval of the plan?

Mr. MAGRUDER. Yes.

Mr. DASH. Could you tell us what happened and how that was resolved?

Mr. MAGRUDER. Well, he had called me and said that Mr. Liddy wanted a substantial sum at that time, I did not recall the amount, but Mr. Sloan indicates it is $83,000 and I would assume he is correct. I indicated that Mr. Liddy did have that approval. Mr. Sloan evidently then went to Mr. Stans. Mr. Stans went to Mr. Mitchell, Mr. Mitchell came back to me and said why did Gordon need this much money and I explained to him this was in effect front-end money that he needed

for the equipment, and the early costs of getting this kind of an operation together. Mr. Mitchell understood, evidently told Mr. Stans it had been approved and the approval was complete.

Mr. DASH. Did you receive, Mr. Magruder, any progress reports after the approval by Mr. Liddy?

Mr. MAGRUDER. No, I did not.

Mr. DASH. Did you know that there was to be an entry in the Democratic National Committee headquarters?

Mr. MAGRUDER. Well, I assumed that it would be. I did not know specifically when Mr. Liddy would do that, as I recall. I do not remember that he discussed the exact date with me, no.

Mr. DASH. Well, do you recall a discussion that you had with Mr. Liddy concerning an effort to enter the McGovern headquarters?

Mr. MAGRUDER. Yes. I think after the, as I recall, it was after the first entry of the DNC headquarters, Mr. Strachan and I were in my office and Mr. Liddy came in, not in a formal meeting sense, just came in and indicated that he had had trouble the night before, that they tried to do a survey of the McGovern headquarters and Mr. Liddy indicated that to assist this he had shot a light out. At that time both Mr. Strachan and I both become very concerned because we understood from Mr. Liddy that he would not participate himself nor would anyone participate in his activities that could be in any way connected with our committee.

Mr. DASH. Now, after this entry into the Democratic National Committee headquarters, which you have testified to before this committee, which occurred on May 27, or around Memorial Day weekend of 1972, did Mr. Liddy report that to you?

Mr. MAGRUDER. Yes.

Mr. DASH. And what did Mr. Liddy tell you when he reported that?

Mr. MAGRUDER. He simply indicated that he had made a successful entry and had placed wiretapping equipment in the Democratic National Committee.

Mr. DASH. Did he report to you at all that he had a monitoring station at the Howard Johnson motel across the street?

Mr. MAGRUDER. My understanding, my recollection was that he had it in the truck somewhere but I guess he did not. That is, my recollection was that it was in the truck but I gather it was in the Howard Johnson.

Mr. DASH. Were you aware at any time of Mr. Baldwin's participation in this?

Mr. MAGRUDER. No, sir.

Mr. DASH. When did you get any of the fruits or the results of this bugging and photography operation?

Mr. MAGRUDER. Approximately a week, a week and a half after the initial entry we received, I received, the first reports; they were in two forms, one was recapitulation of the telephone conversations. They were done in a form in which you would know they were telephone conversations but they were not direct references to the phone conversations. And the second, photography, the pictures of documents that they had taken at the Democratic National Committee headquarters.

Mr. DASH. Was there any special feature about these photographs?

Mr. MAGRUDER. Well, the famous fingers were on the photographs, the rubber gloves with the fingers.

Mr. DASH. Now, the documents from which you say the capitulation of the telephone conversations—where were they placed and what was the form of those documents?

Mr. MAGRUDER. They were under the Gemstone stationery. You have seen it since I have.

Mr. DASH. Well, perhaps you can identify this for us.

Mr. MAGRUDER. I can see it. I have not seen it since June 19.

Mr. DASH. Take a look at this exhibit which has been entered into the record. Is that the form of the document?

Mr. MAGRUDER. Yes, sir.

Mr. DASH. Do you recall seeing an envelope of this kind?

Mr. MAGRUDER. I think that it did come in that form. I remember seeing the envelope. I can't recall whether the Gemstone material did come in that envelope, but it could have very well.

Mr. DASH. Now, you say you received it in two installments.

Mr. MAGRUDER. Yes, sir.

Mr. DASH. And did both installments include the typewritten telephone conversations and photographs?

Mr. MAGRUDER. As I recall, they both included that.

Mr. DASH. Did you show these so-called Gemstone materials with the photographs, to anybody?

Mr. MAGRUDER. Yes, I brought the materials in to Mr. Mitchell in my 8:30 morning meeting I had each morning with him.

Mr. DASH. At that time, where was Mr. Mitchell's office located?

Mr. MAGRUDER. He was now in the campaign, and he had an office in the campaign committee and he had an office in his law firm, and we would meet in either office depending on his schedule, and at that time, I showed him the documents, and I think as Mr. Reisner has discussed, I also had two files. He, as I recall, reviewed the documents, indicated, as I did that there was really no substance to these documents, and at that time, as I recall, it was at that time he called Mr. Liddy up to his office and Mr. Mitchell indicated his dissatisfaction with the results of his work.

Mr. DASH. Well, did he tell him anything more than he was dissatisfied. Did he ask for anything more?

Mr. MAGRUDER. He did not ask for anything more. He simply indicated that this was not satisfactory and it was worthless and not worth the money that he had been paid for it.

Mr. DASH. Mr. Magruder, did he mention anything about the fact of the O'Brien information, he did not see any O'Brien telephone——

Mr. MAGRUDER. There was no information relating to any of the subjects he hoped to receive, and Mr. Liddy indicated there was problem with one wiretap and one was not placed in a proper phone and he would correct these matters and hopefully get the information that was requested.

Mr. DASH. Did you show these documents, the so-called Gemstone documents, to Mr. Strachan?

Mr. MAGRUDER. As I recall, because of the sensitive nature of these documents, I called Mr. Strachan and asked would he come over and look at them in my office rather than sending a copy to his office,

as I recall I only had one copy of these documents. As I recall, he did come over and look over the documents and indicate to me the lack of substance to the documents.

Mr. DASH. Now, in fact, Mr. Magruder, Mr. Liddy, Mr. Hunt, and others did go into another break-in of the Democratic National Committee headquarters in the early morning hours of June 17, 1972. Where were you when this occurred?

Mr. MAGRUDER. I was in Los Angeles, Calif.

Mr. DASH. Were you aware that this break-in was to take place?

Mr. MAGRUDER. No.

Mr. DASH. With whom were you in California?

Mr. MAGRUDER. I was with Mr. Mitchell, Mr. LaRue, Mr. Porter, Mr. Mardian; and we had a number of political activities in California that weekend.

Mr. DASH. What took place in Los Angeles when you first learned about the break-in?

Mr. MAGRUDER. Well, I was at breakfast at the Beverly Hills Hotel. There were a number of us, probably 8 or 10 of us at breakfast; I received a call from Mr. Liddy and he indicated to me I should get to a secure phone, and I indicated to him there was no way I can get to a secure phone at this time. He indicated there had been a problem the night before. I said well, what kind of a problem or something of that type, and he indicated that our security chief had been arrested at the Watergate, and I said you mean Mr. McCord, and he said yes. I think I blanched to say the least, and said, "I will call you back immediately on a pay phone to get more detail," and I did that. I went to a pay phone and called him back, and he gave me more detail which was simply that the five people had been apprehended at the Watergate, and that Mr. McCord was among the five.

Mr. DASH. Now, did you report that back to anybody?

Mr. MAGRUDER. Yes, I first talked with Mr. LaRue and indicated the problem, and Mr. LaRue then talked to Mr. Mitchell, and then Mr. Mitchell and Mr. LaRue and I discussed it again together. We knew that Mr. Mardian who was there was a closer friend of Mr. Liddy's than any of us, and Mr. Mitchell asked Mr. Mardian to call Mr. Liddy and ask him to see the Attorney General, the current Attorney General, Mr. Kleindienst, and see if there was any possibility that Mr. McCord could be released from jail.

Mr. DASH. Do you know what happened as a result of that call?

Mr. MAGRUDER. My understanding is that they went out to the Burning Tree Country Club, where Mr. Kleindienst was playing golf, and Mr. Kleindienst rebuffed Mr. Liddy and Mr. Powell Moore, who was with him.

Mr. DASH. Mr. McCord was not released?

Mr. MAGRUDER. No, he was not.

Mr. DASH. Did you call Mr. Reisner or Mr. Odle from California?

Mr. MAGRUDER. Yes, later that day. We had numerous conversations that day. We were trying to come up with a statement that Mr. Mitchell could make if he was asked in a press conference, and later release that statement. I discussed with Mr. Reisner the need to take certain files from my office. We were concerned about the break-in from our own standpoint because of Mr. McCord. We could not understand why Mr. McCord was involved in the situation, and we thought that maybe,

since this break-in was done in a rather amateurish way, that possibly there was some double-agent activity going on here, and we were honestly concerned about our own files.

I did ask Mr. Reisner to remove certain files—my advertising file, the budget file, our strategy file, and the Gemstone file. Then I talked with him and Mr. Odle, and Mr. Odle took the Gemstone file home.

Mr. DASH. Did you talk to anybody else from California?

Mr. MAGRUDER. Well, yes, I talked to Powell Moore, as I recall. I cannot recall any other specifically——

Mr. DASH. Did you call Mr. Strachan?

Mr. MAGRUDER. Oh, yes, I called Mr. Strachan that evening.

Mr. DASH. What did you tell Mr. Strachan?

Mr. MAGRUDER. I told him—of course, he knew no more than we knew. He knew that they had been apprehended, and we had a problem and just discussed in a sense that we had a problem, and we did not quite know what to do about it. At that time, we had heard that there was some money at that time found on the individuals, and we had hoped that it was money that had been found at the Democratic National Committee, but unfortunately, it was our money. So we, in effect, just discussed the problem. We had no answers, obviously, at that time.

Mr. DASH. Did you receive a call from Mr. Haldeman?

Mr. MAGRUDER. Yes. The next morning, on Sunday, I received a call from Mr. Haldeman. He asked me what had happened. Again, I told him basically——

Mr. DASH. From where was he calling?

Mr. MAGRUDER. Key Biscayne, Fla.

He just asked me the basic background of the break-in and what had happened. I just told him what had happened. He indicated that I should get back to Washington immediately, since no one in any position of authority was at the committee, and to talk with Mr. Dean and Mr. Strachan and Mr. Sloan and others on Monday to try to find out what actually had happened and whose money it was and so on.

Mr. DASH. Now, you did return to Washington?

Mr. MAGRUDER. Yes, I did.

Mr. DASH. And would you tell us briefly, but as specifically as you can, what you did as soon as you returned to Washington and who you met with?

Mr. MAGRUDER. Well, on Monday, I met with Mr. Dean, Mr. Strachan, Mr. Sloan, Mr. Liddy. Mr. Liddy and I did not really have too much to say to each other. He said he had goofed, and I accepted that on face value. There really was not much to discuss at that time.

I determined from Mr. Sloan that the money was our money, not someone else's money.

Mr. Dean and I discussed the problem in terms of what we were going to do as to Mr. Strachan and I.

Mr. DASH. Did you have a meeting on that evening, the evening of June 19, when you came back to Washington, in Mr. Mitchell's apartment?

Mr. MAGRUDER. Yes, Mr. Mitchell flew back that Monday with Mr. LaRue and Mr. Mardian. We met in his apartment with Mr. Dean. That would have been Mr. Mitchell, Mr. LaRue, Mr. Dean, Mr. Mardian, and myself; and the general discussion again was, what were we going to do about the problem? It was again, we had very little

information. We did not, of course, know what type of investigation would then be held. And we talked about types of alternative solutions.

One solution was recommended in which I was to, of course, destroy the Gemstone file. So I called my office and——

Mr. DASH. That solution came up as a result of that meeting?

Mr. MAGRUDER. Well, I think yes, it was generally concluded that that file should be immediately destroyed.

Mr. DASH. Now, as to Mr. Dean's participation, by the way, in these meetings, was Mr. Dean operating on his own, or what was your understanding of Mr. Dean's role at these meetings?

Mr. MAGRUDER. Mr. Dean was the person who had worked with us on many of these legal matters. He had brought Mr. Liddy to the meeting. He was a close associate of ours through Mr. Mitchell, and, of course, all of us knew Mr. Dean very well. And he was one person from the White House who worked with us very closely. It was very natural for Mr. Dean in this situation to be part of our meetings at this point in time because of his association and of his background.

Mr. DASH. And would he, from your understanding, be representing any White House interest at these meetings?

Mr. MAGRUDER. I think you would really have to ask Mr. Dean that question.

Mr. DASH. Now, did you instruct Mr. Reisner to destroy any other files?

Mr. MAGRUDER. As I recall, I asked Mr. Reisner to cull through my files, pull out any sensitive material that could be embarrassing to us. There was the suit that was placed against us by the Democratic National Committee that asked for immediate disclosure. As I recall, we all indicated that we should remove any documents that could be damaging, whether they related at all to the Watergate or not.

Mr. DASH. Mr. Sloan has testified before the committee, Mr. Magruder, that shortly after your return and after the break-in, that you asked him to perjure himself concerning the amount of money that Mr. Sloan had given Mr. Liddy. Could you state your own recollection of that discussion with Mr. Sloan?

Mr. MAGRUDER. Well, the first discussion—we had two meetings on Monday. The first meeting was when I determined from him that the money was our money, and we discussed that in his office. And he came up to my office, and in attempting to allay his concerns or to help him in some sense, give some advice, I think, we talked about what would he do about the money.

My understanding of the new election law indicated that he would be personally liable for cash funds that were not reported. These were not reported funds. So I indicated at that meeting that I thought he had a problem and might have to do something about it.

He said, you mean commit perjury? I said, you might have to do something like that to solve your problem and very honestly, was doing that in good faith to Mr. Sloan to assist him at that time.

Now, later we met three times, twice that week and once after he returned from his vacation. That was on the subject of how much money had been allocated to Mr. Liddy. Now, I, in thinking of about 7 months from the time we authorized the funds to the time of the November election, I thought that Mr. Liddy should have received

somewhere between $100,000 and $125,000, approximately. That was my guesstimate.

Mr. Porter indicated that he had distributed about $20,000 or $30,000 to Mr. Liddy, so I assumed that Mr. Sloan probably distributed somewhere under $100,000.

Now, I will fully admit that I had hoped that the figure was as low as possible and we all hoped that it was low. Mr. Sloan would not tell me what the figure was. He refused to tell me the figure. He said, I cannot tell you the figure.

I said, just tell me what it is so we can work on the solution of this problem. If we do not know how much you gave Mr. Liddy, how can we determine what the money went for?

On the third meeting, he and I went out and had a couple of drinks and he still would not discuss the facts of this situation with me. I did not at that time or in any of those meetings ask him to do anything relating to money other than tell me what the figure was and that I hoped it was a low figure. And I certainly did hope it was a low figure. But I had no problem accepting a higher figure, because I thought we could work something out relating to any figure within reasonable limits.

I think the real problem was that he knew it was $199,000 and I was aghast at that figure, because there was no way Mr. Liddy should have received that much money in that short period of time. It was only 2½ months since its approval.

Mr. DASH. Now, Mr. Magruder, you said you needed some of this information to work out a solution. Is it not true that sometime after the time you returned to Washington from California and during the months of, say, June, July, or August, that there came a time when you agreed to make up a story about how the break-in and the bugging took place and who was involved?

Mr. MAGRUDER. Yes. I want to state here, though, that there was never any feeling on my part, no one asked me to do anything. I personally felt that it was important to be sure that this story did not come out in its true form at that time, as I think did the other participants. So I want to make it clear that no one coerced me to do anything. I volunteered to work on the coverup story.

Mr. DASH. But on your volunteering to work on it, who participated with you without coercing you in the working up of the fabricated story?

Mr. MAGRUDER. Well, there were, from the time of the break-in to my second grand jury appearance and then actually into my third grand jury appearance in September, a series of meetings. These meetings do not appear on my calendar because they were ad hoc meetings, they were not planned meetings. They were mainly held in Mr. Mitchell's office. The main participants typically were Mr. Mitchell, Mr. LaRue, Mr. Mardian, and Mr. Dean, although many other people met in these meetings. Much of the meetings would be on subjects that were perfectly, I think, acceptable to discuss.

You know, it is very hard for me to pinpoint exactly when and how we came up with the coverup story, but it became apparent, when we found out the sums were in the $200,000 range, that we had to come up with a very good story to justify why Mr. Liddy would have spent that amount of money on legal activities.

Mr. DASH. What was that story, Mr. Magruder, that you finally came up with?

Mr. MAGRUDER. What we did was we simply took factual activity that we had asked Mr. Liddy to do and we exaggerated to a great extent the amount of money spent on those activities to the tune of the $230,000.

I asked Mr. Porter to, would he be willing to work with us on this coverup story and, as he has testified, he indicated that he did.

So he took care of, in effect, $100,000 and I took care of, in effect, $150,000 by indicating that Mr. Liddy had legal projects for us in the intelligence field, and we worked over this story with Mr. Mitchell, Mr. Dean, Mr. LaRue, and Mr. Mardian, although Mr. Mardian has participated to a much lesser extent with me than the others did. My primary contacts on the story were Mr. Dean and Mr. Mitchell.

Mr. DASH. All of these persons that you have named—you finally did arrive at the story and they knew in fact what actually had occurred?

Mr. MAGRUDER. Yes; they did.

Mr. DASH. Could you tell us why the story required that the break-in involvement be cut off at Mr. Liddy and not at you?

Mr. MAGRUDER. Well, there was some discussion about me and I volunteered at one point that maybe I was the guy who ought to take the heat, because it was going to get to me, and we knew that. And I think it was, there were some takers on that, but basically, the decision was that because I was in a position where they knew that I had no authority to either authorize funds or make policy in that committee, that if it got to me, it would go higher. Whereas Mr. Liddy, because of his past background, it was felt that that would be believable that Mr. Liddy was truly the one who did originate it. And, of course, it was true, I think, that Mr. Liddy did originate the plan, was basically the one who did come up with these ideas in specific terms.

We felt that was more believable than somebody like myself who did not have any background in this area authorizing these kinds of sums of money and authorizing this type of program when it was known full well throughout the committee and White House that I had no such authority.

Mr. DASH. Now, did you tell this story that was developed to Mr. Parkinson and Mr. O'Brien, who were representing the committee?

Mr. MAGRUDER. After July 4, Mr. Mardian brought Mr. Parkinson into my office and said to me that he would like me to tell the true story. I said, "You mean the true story"—which—you know, at that time, we were dealing in a number of stories, and he said, "No; I want the true story."

I then for 2 hours, I think, told Mr. Parkinson the true story.

Mr. DASH. But later, you then told Mr. O'Brien and Mr. Parkinson the story that had been developed and agreed to by the other parties you mentioned?

Mr. MAGRUDER. Yes; that is correct.

Mr. DASH. When were you first called before the grand jury, Mr. Magruder?

Mr. MAGRUDER. My first grand jury appearance was July 5, it was just an organizational appearance, in effect, who was who in the committee.

The second appearance was on August 16, which was——

Mr. DASH. Before that appearance, were you interviewed by the Federal Bureau of Investigation?

Mr. MAGRUDER. Yes; immediately after my grand jury appearance, I was interviewed by the Federal Bureau, or soon thereafter.

Mr. DASH. At the time you were interviewed by the FBI, had the story been developed?

Mr. MAGRUDER. We still had not come up with the money amount, but other than that, we basically had developed the guidelines to the story, yes.

Mr. DASH. When you were interviewed by the FBI, did you tell this false story to the FBI?

Mr. MAGRUDER. Yes; I did.

Mr. DASH. You say you were next brought before the grand jury when?

Mr. MAGRUDER. In August, August 18.

Mr. DASH. When you testified to the grand jury that time, did you testify to the false story?

Mr. MAGRUDER. Yes; I did.

Mr. DASH. What role did Mr. Dean play in preparing you for your second grand jury appearance?

Mr. MAGRUDER. On the day before the grand jury appearance, I was aware that I was a target of the grand jury at that time. So, I was briefed by our lawyers and Mr. Mardian. Also, I was interrogated for approximately 2 hours by Mr. Dean and approximately ½ hour in a general way by Mr. Mitchell.

Mr. DASH. Now, after you appeared before the grand jury for the second time, did Mr. Dean give you any report?

Mr. MAGRUDER. Yes; the day after Mr. Dean indicated that I would not be indicted.

Mr. DASH. Did he tell you how he knew that?

Mr. MAGRUDER. No; he did not.

Mr. DASH. By the way, were you not aware of Mr. Dean's participation, you were aware, were you not, that Mr. Dean worked in the White House and did report to Mr. Ehrlichman and Mr. Haldeman?

Mr. MAGRUDER. Yes, sir.

Mr. DASH. And I think you yourself, when you testified before us in executive session, indicated that you were familiar with the roles that you played at that time and that Dean played?

Mr. MAGRUDER. Yes; that is correct.

Mr. DASH. What was your understanding, therefore, when Mr. Dean was working with you prior to your appearance before the second grand jury? Was he doing this on his own, or was he doing it as a representative for other persons in the White House?

Mr. MAGRUDER. Well, again, it is an assumption on my part. I think I should be very careful. He was in a staff role and did report to the gentleman you mentioned. Consequently, you would assume, and I did not know and at no time did I know, that he was directly reporting

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back to either Mr. Haldeman or Mr. Ehrlichman. I did assume this, but that was only an assumption from my work at the White House myself.

Mr. DASH. Were you again called before the grand jury prior to the trial, the first trial?

Mr. MAGRUDER. Yes.

Mr. DASH. When was that?

Mr. MAGRUDER. That was in September, the middle of September.

Mr. DASH. Did you know why you were being called before that grand jury?

Mr. MAGRUDER. Yes. At that time, they had gotten a copy—they had subpenaed my diary and my diary contained meetings, primarily the meetings in January and February, with Mr. Liddy that we knew they would be very interested in. So consequently, Mr. Mitchell, Mr. Dean, and I met to try to determine how I would answer——

Mr. DASH. You mean prior to your appearance before the grand jury in September?

Mr. MAGRUDER. Yes, sir.

Mr. DASH. What was the purpose of that meeting?

Mr. MAGRUDER. The purpose was to develop the story in effect of what took place at those meetings. Mr. Dean asked if he could be removed from those meetings, and I said that would not work, because too many people knew he had attended those meetings.

Then Mr. Mitchell and Mr. Dean, and I agreed that we would indicate—I would indicate—that the first meeting never occurred, that we had canceled it and that at the second meeting, we had discussed the new election law, which actually had been passed that week, and I introduced Mr. Liddy to Mr. Mitchell and he had not met Mr. Mitchell. It turned out that he had met Mr. Mitchell, but I was unaware of that.

So I indicated to the grand jury that it was an informal meeting to introduce Mr. Liddy and also to discuss the new election law.

Mr. DASH. Was any suggestion made that you might erase entries in the diary?

Mr. MAGRUDER. Yes; as I recall, one of the individuals indicated that. I think we agreed that erasures could be determined by the Federal Bureau of Investigation if anything was erased.

Mr. DASH. During your appearances before the grand jury or preceding it and when the story that was indicated was being developed, what if anything was told to you or discussed with you or by you concerning the question of executive clemency for yourself or for those who were going to accept the blame in the story?

Mr. MAGRUDER. Again I would like to be very careful here. I think that—during the time, of course, since I knew I was a target of the grand jury, I was somewhat concerned about what would happen to me if I was indicted. So I went through the same type of thing that the other defendants in the trial did and asked Mr. Mitchell and Mr. Dean for the kind of assurances that they did.

They made those assurances to me, but they——

Mr. DASH. What assurances specifically?

Mr. MAGRUDER. Well, they made assurances about income and being taken care of from the standpoint of my family and a job afterwards, and that type of thing, and also that there would be good opportunity for Executive clemency. But having worked at the White House and being aware of our structure there, I did not take that as meaning that

had a direct relationship to the President at all. In fact, the use of his name was very common in many cases where it was inappropriate; in other words, where he had not had any dealings in the matter. So I knew that this did not necessarily mean it came from the President or anyone else other than Mr. Dean or Mr. Mitchell.

Mr. DASH. But you did not know to the contrary.

Mr. MAGRUDER. No; I did not know to the contrary.

Mr. DASH. Did you know or have any knowledge of any plans to pay attorney's fees or salaries to defendants or support for the families of the defendants?

Mr. MAGRUDER. I was aware that they were being taken care of because, of course, one of the questions I had if I was going to—particularly before the second grand jury appearance where I had to decide to go up and tell this coverup story—that I wanted assurances that the other seven defendants, the seven defendants would hold and I was assured they were being taken care of. That was the extent of my knowledge.

Mr. DASH. Were you aware of any concern about any one of the defendants during this period of time?

Mr. MAGRUDER. Well, at varying times there was concern over particularly Mr. McCord. I think Mr. Hunt to some extent at various times and also I think Mr. Sturgis who I did not know. They were three who were brought up most frequently.

Mr. DASH. Were you aware of any plans to propose a CIA defense for the defendants?

Mr. MAGRUDER. Again, in these series of meetings that we had from the period, from the break-in to September, that defense was discussed in general terms at meetings I attended but I could not be specific about it.

Mr. DASH. Now, you testified at the first Watergate trial?

Mr. MAGRUDER. Yes, sir.

Mr. DASH. And at that trial did you tell this same false story that you testified before the grand jury and told the FBI?

Mr. MAGRUDER. Yes, sir.

Mr. DASH. By the time of the trial in January all seemed, Mr. Magruder, to have worked well according to the plan that you had worked out with Mr. Mitchell, Mr. Dean, Mr. LaRue and Mr. Mardian. At what time, to your recollection, if it did occur did the plan begin to crumble?

Mr. MAGRUDER. Well, I think that as soon as we realized that the grand jury was going to reconvene, much more so than Mr. McCord's statement because I knew Mr. McCord's statements would be hearsay, but as soon as I knew the grand jury was going to reconvene I knew that things would be difficult to hold. I knew I could not go through the same process, now that the election was now over and the reason for the coverup from my standpoint was now no longer valid. But also I knew that Mr. Reisner, the one—from my standpoint, the only mistake the prosecutors made was in going through the organization they missed Mr. Reisner, and if they had caught Mr. Reisner earlier, I think this story would not have been made but I knew they would get to Mr. Reisner now because it had been obvious he had been my assistant at that time and so as soon as I knew that and as soon as I knew Mr.

Dean began to indicate some reluctance to discuss those meetings in the same terms that I had discussed them at the grand jury, I knew the story would not hold up under a second investigation by your committee, which, of course, had begun to hold hearings and also the grand jury.

Mr. DASH. Did you have a meeting with Mr. Haldeman in January 1973?

Mr. MAGRUDER. Yes; I did.

Mr. DASH. Could you briefly tell us what the nature of that meeting was and what was discussed?

Mr. MAGRUDER. The meeting was for two purposes. I was the director of the inaugural at that time and was to discuss future employment regarding myself and also at that time there was a problem regarding Mr. Porter's employment and I had made certain assurances, Mr. Mitchell had, about his employment and I wanted to be sure Mr. Haldeman was aware of that. And then, third, and I realize now that these were probably taped conversations. I had some conversations with Mr. Dean in his office where he indicated a certain lack of memory to events, and I became rather concerned. He indicated at one point that, wasn't that surprising how this plan was ever put into operation, and I said, "Well, John, surely you remember the meetings we attended" and he didn't seem to remember those meetings, and I said to myself something is going to happen here if that continues. I think as it turned out these conversations were taped, so I thought I had better see Mr. Haldeman and tell him what had actually happened. I thought probably that this was becoming scapegoat time and maybe I was going to be the scapegoat, and so I went to Mr. Haldeman and I said I just want you to know that this whole Watergate situation and the other activities was a concerted effort by a number of people, and so I went through a literal monologue on what had occurred. That was my first discussion with Mr. Haldeman where I laid out the true facts.

Mr. DASH. Do you know what day or date approximately in January that occurred?

Mr. MAGRUDER. It would have been before the inaugural because we were still working on the inaugural but I would have to look in my diary as to what date specifically.

Mr. DASH. Did there come a time when you met with Mr. Mitchell sometime after the trial?

Mr. MAGRUDER. Yes. Well, the McCord letter basically activated great concern in the sense——

Mr. DASH. That letter, I think the record will show, was March 23.

Mr. MAGRUDER. That is correct.

Mr. DASH. That was read out by Judge Sirica in the courtroom on the sentences on March 23.

Mr. MAGRUDER. That is correct, and that, of course, accelerated the process of concern on, I think, all of the participant parties. I, on Monday, the 25th, went to see the two lawyers for the committee. As you are aware at this time I did not have my own counsel so I was depending on counsel basically from our committee, and I went over my problems with them, which I think were more acute at that time than the other participants and they agreed that I had a serious problem and suggested that I see, retain my own counsel. I think they then transmitted that concern of mine to Mr. Mitchell because on Tuesday he

called me in the Commerce Department and asked me to come to New York. I flew to New York that afternoon, and discussed with him——

Mr. DASH. Do you know, what date that was?

Mr. MAGRUDER. That would be March 27.

Mr. DASH. 27?

Mr. MAGRUDER. A Tuesday.

Mr. DASH. And the year we are talking about 1973?

Mr. MAGRUDER. 1973.

Mr. DASH. What was your discussion with Mr. Mitchell in New York?

Mr. MAGRUDER. Well, I went through all of the problems I thought could occur because of the problems that renewed interest in this case would bring from your committee and from the grand jury and indicated what should I do, and he indicated that I should hold, that he would take care of things, that everything would be taken care of.

Now, at that time I realized that he was no longer directly involved at the White House, as he had been, and so I asked to see Mr. Haldeman with him the next day he was going to Washington.

Mr. DASH. But at that meeting, Mr. Magruder, what did you ask Mr. Mitchell to assure you of?

Mr. MAGRUDER. Again I asked for the same assurances of salary and being taken care of if I had to go away for any period of time.

Mr. DASH. Did you mention Executive clemency?

Mr. MAGRUDER. Yes, I did.

Mr. DASH. Then you say you asked for a meeting with Mr. Haldeman?

Mr. MAGRUDER. Yes, I feel that it would be appropriate since this was something now that he was more directly involved on a day-to-day basis.

Mr. DASH. Did you have that meeting with Mr. Haldeman?

Mr. MAGRUDER. Yes, I did.

Mr. DASH. When?

Mr. MAGRUDER. On the following day, Wednesday, March 28, I think.

Mr. DASH. Who was present?

Mr. MAGRUDER. Mr. Haldeman, Mr. Mitchell, and myself.

Mr. DASH. What was discussed?

Mr. MAGRUDER. Well, we discussed the same things that we had discussed with Mr. Mitchell, that I discussed with Mr. Mitchell. Mr. Haldeman was very careful to indicate to me that he would help me in any way as a friend but could make no commitments for the President; indicated that the real problems were differences of opinion over meetings, particularly the January and February meetings, where, of course, my view was that since the three, Mr. Mitchell, Mr. Dean, and I, had agreed to my testimony that they, therefore, should stay with that agreement.

Mr. Mitchell indicated, of course, he was willing to do this but Mr. Dean indicated that he had some question about it.

Mr. DASH. But, Mr. Magruder at this time everybody knew.

Mr. MAGRUDER. Mr. Haldeman——

Mr. DASH. Everybody knew that that agreement was an agreement based on a false story, was that not true?

Mr. MAGRUDER. Yes, that is correct.

Mr. DASH. And Mr. Haldeman knew that then, did he not?

Mr. MAGRUDER. I cannot recall in my meeting with him in January whether—yes, I am sure I did discuss those meetings, yes.

Mr. DASH. So the attempt to get together and agree on that meeting was an attempt to get together and agree on at least from your point of view, would be the full story?

Mr. MAGRUDER. That is correct, Mr. Haldeman recommended that Mr. Dean and Mr. Mitchell and I meet, which we did that afternoon.

Mr. DASH. What was the result of that meeting?

Mr. MAGRUDER. I realize that Mr. Dean had different opinions then as to what he would do probably, and so then my—I thought that probably it was more appropriate that even on that Monday that I get separate counsel so that I could get advice independent of the individuals who had participated with me in these activities.

Mr. DASH. In other words, you really could not agree at the meeting with Mr. Mitchell and Mr. Dean.

Mr. MAGRUDER. Well, it was cooperative.

Mr. DASH. What was Mr. Dean's position?

Mr. MAGRUDER. He would not indicate a position.

Mr. DASH. All right. Did there come a time when you did get independent counsel?

Mr. MAGRUDER. Yes, Mr. Parkinson, who was counsel of the committee, recommended Mr. Bierbower and on that Saturday I went to meet him, he was out of the country, and I met him and we agreed, he agreed to be my counsel that Saturday evening.

Mr. DASH. Did there come a time when you decided that you should go to the U.S. attorney's office?

Mr. MAGRUDER. Yes, that is correct.

Mr. DASH. When did you go to the U.S. attorney's office?

Mr. MAGRUDER. We agreed, they discussed the things with the U.S. attorney, I think on April 12 and I saw them informally on April 13 and saw them formally on April 14 on Saturday, April 14.

Mr. DASH. At that time did you tell everything to the assistant U.S. attorneys?

Mr. MAGRUDER. Yes, I cooperated.

Mr. DASH. Who did you meet with?

Mr. MAGRUDER. Mr. Silbert, Mr. Glanzer, and Mr. Campbell.

Mr. DASH. Did you tell them everything you are now telling this committee?

Mr. MAGRUDER. Yes.

Mr. DASH. Did you have a meeting afterward with Mr. Ehrlichman?

Mr. MAGRUDER. Yes, Mr. Ehrlichman called while I was with the U.S. attorneys and asked me would I come over and talk to him about the case. We talked to the U.S. attorneys and they agreed as a courtesy that we should and Mr. Bierbower and the other attorney with Mr. Bierbower and I went to see Mr. Ehrlichman that afternoon.

Mr. DASH. Then, according to that meeting that you had with Mr. Ehrlichman, what happened?

Mr. MAGRUDER. We told him in rather capsule form basically what I told you this morning.

Mr. DASH. All right.

Now, I have just two final questions. I want to go back to the time when you came back from California to Washington, putting you back

to around June 24. Do you recall having a meeting with Mr. Stans and with Mr. Mitchell?

Mr. MAGRUDER. Yes, sir.

Mr. DASH. At that time, do you recall whether Mr. Stans was informed as to what occurred, actually the true story, not the so-called false story?

Mr. MAGRUDER. Well, my recollection, and when we discussed the other day I think it was rather quick because we were trying to fold up.

The discussion was in three parts. Earlier that morning Mr. Sloan had come to our office. Mr. LaRue, who he had indicated in testimony, was with him, was in there that weekend he was in Mississippi. Mr. Sloan came up and, as I recall, Mr. Mardian, myself and Mr. Mitchell were in the office and that is at the time when Mr. Sloan, who was asking for guidance and Mr. Mitchell indicated the statement about when the going gets tough the tough get going and we knew Mr. Sloan was rather disturbed with that. My understanding was he went down and talked to Mr. Stans and Mr. Stans called and said he wanted to talk to Mr. Mitchell when he came up. Mr. Mitchell indicated I should stay in the meeting, which I did. It was not a long meeting and basically, three things were discussed in general terms. One was first, Mr. Stans wanted to know what had happened. We told him that things had not gone right, that things had gone wrong, we did not say that either you, Mr. Mitchell nor I were directly involved in Mr. Liddy's activities but that things had gone wrong and we knew they had gone wrong and we knew that Mr. Liddy was involved. So we discussed the fact that Mr. Liddy probably at some point in time would have to terminate his employment from the committee.

Then, as I recall, we indicated to Mr. Stans the problem we had with the money, and would he try to work with Mr. Sloan to see if Mr. Sloan could be more cooperative about what happened with the money and how much there was and Mr. Stans indicated that he would.

In recollecting as best as I could that meeting, we did not get into great detail as to what had actually happened at the Watergate.

Mr. DASH. All right. Your testimony now here in public session, and you are correcting some of the statements you made in executive session, which I believe the testimony will show that you did indicate to Mr. Stans that you and Mr. Mitchell were involved.

Mr. MAGRUDER. I do not think I said that in executive session but as I recall, and I did not remember that meeting in great detail until we talked about it, we did not say we were directly involved. I think the impression was given that we were certainly aware of what happened, yes. I think that would be a fair statement, that we were aware of what had happened and there was an operation that occurred while we were in effect, while he was, in effect, in charge of the campaign.

Mr. DASH. And basically, you were telling Mr. Stans how this money was spent.

Mr. MAGRUDER. Yes, that is correct.

Mr. DASH. All right. Now, later when you say that assurances were being made or you heard assurances were being made that the seven criminal defendants and their families would be taken care of by financial support and otherwise, do you recall who gave you those assurances?

Mr. MAGRUDER. Primarily Mr. Dean and Mr. Mitchell.

Mr. DASH. Now, did you testify before the grand jury under any immunity provision?

Mr. MAGRUDER. No, sir.

Mr. DASH. When did you most recently testify before the grand jury?

Mr. MAGRUDER. That would have been probably 2 weeks after the April 14 discussion with the prosecutors.

Mr. DASH. What understanding do you have with the prosecutors with regard to yourself at this point?

Mr. MAGRUDER. As I understand it, I will plead guilty to a 1-count felony charge of conspiracy.

Mr. DASH. And will you be a witness at the criminal trial?

Mr. MAGRUDER. Yes, sir.

Mr. DASH. I have no further questions, Mr. Chairman.

Senator ERVIN. Senator Baker.

Senator BAKER. Mr. Chairman, thank you very much.

As we did on yesterday, we made an effort to rotate the questioning among members of the committee so that the sequence is not exactly the same. We intended to try that again today with the chairman's concurrence and to rearrange the sequence of things in a different way. I will now follow Mr. Dash, I will yield then in our turn to Senator Weicker and Senator Gurney, and instead of minority counsel following after majority counsel, minority counsel will conclude the questioning of this witness.

Mr. Magruder, I am not clear in my mind about who originated the idea of the clandestine intelligence operation and when that was done.

Mr. MAGRUDER. Well, Mr. Liddy was brought over to me at the committee in December and I was told that he would handle our intelligence-gathering operations, by Mr. Dean. He indicated that Mr. Mitchell had approved this. We did not discuss in detail at that meeting what these operations would be.

Senator BAKER. Did you discuss electronic eavesdropping?

Mr. MAGRUDER. No, we did not.

Senator BAKER. Did you discuss the Democratic National Committee?

Mr. MAGRUDER. No, we did not.

Senator BAKER. But the chain of events is that Mr. Dean recommended to you Mr. Liddy.

Mr. MAGRUDER. Yes, sir.

Senator BAKER. It is your understanding that Mr. Mitchell had recommended Mr. Liddy?

Mr. MAGRUDER. My understanding is they had met in November, November 24, Mr. Liddy, Mr. Dean and Mr. Mitchell and at that time it was agreed he would become our counsel and handle our intelligence operations.

Senator BAKER. What was the nature of your concept of intelligence operations at that point?

Mr. MAGRUDER. My concept?

Senator BAKER. Yes; or Mr. Dean's or Mr. Mitchell's; if you know?

Mr. MAGRUDER. I do not know what their concept was. My concept was simply one of gathering as much information through sources in the opposition's committee would have been my concept at that time.

I think Mr. Porter has indicated some activities we had at that time of that nature.

Senator BAKER. Do you now have any further information that would shed any light on what Mr. Mitchell or Mr. Dean had in mind at that time about intelligence operations?

Mr. MAGRUDER. The only thing I know is that Mr. Liddy, and this would be hearsay, of course, told me that Mr. Dean and other individuals, and I cannot honestly recall their names, had indicated to him he would have $1 million for his plans, and I think in concept, because these were very extensive plans that he had obviously been working on them before he came to the committee.

Senator BAKER. Who was present when Mr. Liddy made that remark?

Mr. MAGRUDER. No one, sir.

Senator BAKER. And it is your understanding of that conversation that Mr. Liddy said he would have $1 million for his plan?

Mr. MAGRUDER. Yes, sir.

Senator BAKER. Since that is a rather handsome sum, did it pique your curiosity about what he was going to use $1 million for, or what his plan was?

Mr. MAGRUDER. Well, I thought at that time it was inappropriate for me to discuss that type of sum because it was exactly as you say, a handsome sum so I said as I would normally do with any staff member we will have to go see Mr. Mitchell before any approval is given.

Senator BAKER. And you did too see Mr. Mitchell, I believe, on January 27?

Mr. MAGRUDER. That is correct.

Senator BAKER. 1972?

Mr. MAGRUDER. Yes, sir.

Senator BAKER. Had you participated in the formulation of this $1 million plan of Mr. Liddy's?

Mr. MAGRUDER. No, sir.

Senator BAKER. Had Mr. Dean participated in it?

Mr. MAGRUDER. I do not know.

Senator BAKER. But in any event on January 27, February 4, and March 30, as my notes reflect, you, Mr. Liddy, Mr. Mitchell, Mr. Dean met to discuss the Liddy plan?

Mr. MAGRUDER. Yes, sir.

Senator BAKER. And at the third of those meetings a plan was approved at approximately one-fourth or exactly one-fourth, I guess, the original Liddy proposal?

Mr. MAGRUDER. Yes, sir.

Senator BAKER. Many of the details of that plan, if not in fact all of the material details of that plan in its final form were discussed with Mr. Mitchell and Mr. Dean?

Mr. MAGRUDER. No sir, Mr. Dean was not at the last meeting.

Senator BAKER. All right. Fine. Only at the first and second meetings?

Mr. MAGRUDER. Yes, sir.

Senator BAKER. So Mr. Dean was not present when the assent on the plan in its final form was given?

Mr. MAGRUDER. That is correct.

Senator BAKER. Where was that meeting, the third meeting?

Mr. MAGRUDER. In Key Biscayne, Fla.

Senator BAKER. Who was present?

Mr. MAGRUDER. Mr. LaRue, Mr. Mitchell, and myself.

Senator BAKER. It is important for us to know, Mr. Magruder, what took place at that meeting. It is important for me to know exactly how the assent was given, and the scope and the extent of the knowledge of Mr. Mitchell, Mr. LaRue, and your knowledge of the content of the plan, and the consequences that would flow from it. Can you enlighten us further in that respect?

Mr. MAGRUDER. Well, as I recall, it was the last subject we brought up at our meeting. It was in the form, as, discussed in 8½ x 11 sheets of paper without any heading, it had the figures and the amounts and it was quite obvious as to what they were for. There would be dollars next to equipment, as an example, and so on, and we discussed the pros and cons, Mr. LaRue and Mr. Mitchell and I, not any great feeling of acceptance to this plan, with the exception that supposedly these individuals were professional, the information could be valuable, and that after starting at this grandiose sum of $1 million that probably $250,000 would be an acceptable figure. I think we all had questions about Mr. Liddy but he had come with a recommendation and Mr. Mitchell made some notes on his copies, indicated the targets as we had discussed previously, and as I recall, Mr. LaRue who was acting as the telephone answering service at that time, and many calls came in to us at that time, and he was answering the phones so I do not think Mr. LaRue was there at all or was not discussing this problem at all points in the time of our discussion, and Mr. Mitchell simply signed off on it in the sense of saying "OK, let's give him a quarter of a million dollars and let's see what he can come up with."

Senator BAKER. Are you conveying the impression, Mr. Magruder, that the decision was sort of not made or that it was passively made under the circumstances?

Mr. MAGRUDER. I don't want to say it wasn't made, the decision was made. Only Mr. Mitchell had authority to authorize any sums in that campaign.

Senator BAKER. Some of history's great decisions have been non-decisions on occasion.

Let me approach it from this standpoint. You say Mr. Mitchell signed off on it. Do you mean physically initialed it or signed it?

Mr. MAGRUDER. No, sir, I mean said, we will give Mr. Liddy the $250,000.

Senator BAKER. And he identified the targets. Did that include the Democratic National Committee headquarters at the Watergate?

Mr. MAGRUDER. Yes, sir.

Senator BAKER. Did he do that with a pencil?

Mr. MAGRUDER. He may have. He wrote some things on some documents. I cannot specifically recall what he wrote on the documents because I destroyed the documents.

Senator BAKER. Was there any question in your mind that the plan was agreed to by Mr. Mitchell?

Mr. MAGRUDER. No, sir, there was no doubt. But it was a reluctant decision. I think that is important to note. It was not one that anyone was overwhelmed with at all. But it was made and he did make it.

Senator BAKER. Tell me more about why it was a reluctant decision. I can think of a thousand reasons why it was a reluctant decision. But why was it?

Mr. MAGRUDER. You probably have all the good reasons, as I do. We knew it was illegal, probably inappropriate. We didn't think that probably much would come of it; but on the other hand, something may come of it and I think it was one of those decisions that unfortunately—we had 30 decisions, as I recall, at least 30 decisions we made that day about even greater sums of money than that $230,000.

Senator BAKER. Did you have any other decision to make that day that involved any illegal action?

Mr. MAGRUDER. No, sir.

Senator BAKER. Or any clandestine activity?

Mr. MAGRUDER. No, sir.

Senator BAKER. Did that stand out in your mind as to why you made that decision reluctantly?

Mr. MAGRUDER. Yes, sir, I think so.

Senator BAKER. Did you ever express any reservations about it?

Mr. MAGRUDER. Yes, sir.

Senator BAKER. What did you say?

Mr. MAGRUDER. Well, that it was illegal and that it was inappropriate and that it may not work.

Senator BAKER. To whom did you say that?

Mr. MAGRUDER. To Mr. Mitchell, Mr. LaRue, Mr. Strachan.

Senator BAKER. What was Mr. Mitchell's reply?

Mr. MAGRUDER. I think he had similar reservations, sir.

Senator BAKER. What did he say?

Mr. MAGRUDER. Well, by this time, we had some indications of lack of compatibility with Mr. Liddy's behavior and we knew that this was possibly an inappropriate program.

Senator BAKER. What was Mr. LaRue's reaction?

Mr. MAGRUDER. Similar; he was not overwhelmed with the program.

Senator BAKER. What was your reaction?

Mr. MAGRUDER. I was not overwhelmed with the program, but you must, I think, understand that I had personal feelings relating to Mr. Liddy and I was concerned about letting those personal feelings overcome a possible decision that might be made.

Senator BAKER. What was Mr. Strachan's reaction?

Mr. MAGRUDER. I think he felt uncomfortable with Mr. Liddy. But again, I think we have to, in all honesty, say that we thought there may be some information that could be very helpful to us and cause of a certain atmosphere that had developed in my working at the White House, I was not as concerned about its illegality as I should have been at that time.

Senator BAKER. If you were concerned because the action was known to you to be illegal, because you thought it improper or unethical, you thought the prospects for success were very meager and you doubted the reliability of Mr. Liddy, what on earth would it have taken to decide against that plan?

Mr. MAGRUDER. Not very much, sir. I am sure that if I had fought vigorously against it, I think any of us could have had that plan canceled. It was almost canceled. I had fired him from that position, but reneged on that.

Senator BAKER. You really leave me dangling, Mr. Magruder, and I don't attribute any ill motive to you for that. It is just that I still can't quite come to grips with why you all had an expressed reservation about this and you still went ahead with it. Was the incentive so great or the prospects for success so tantalizing that you felt it irresistible?

Mr. MAGRUDER. I knew you would get to this line of questioning, so why don't I give you what I think is the appropriate response here.

I had worked for some 2 years, 3 years, really, in the White House and at that time, I was mainly engaged in the activities trying to generate some support for the President, both with Mr. Haldeman and as Mr. Klein's deputy. During that time, we had worked primarily relating to the war situation and worked with antiwar groups.

Now, I had gone to college, as an example, under—and had a course in ethics as an example under William Sloane Coffin, whom I respect greatly. I have great regard for him. He was quoted the other day as saying, well, I guess Mr. Magruder failed my course in ethics. And I think he is correct.

During this whole time we were in the White House and during this time we were directly employed with trying to succeed with the President's policies and I knew how he was trying very diligently to settle the war issue and we were all at that time against the war as an example—I think this is the primary issue—we saw continuing violations of the law done by men like William Sloane Coffin. He tells me my ethics are bad. Yet he was indicted for criminal charges. He recommended on the Washington Monument grounds that students burn their draft cards and that we have mass demonstrations, shut down the city of Washington.

Now, here are ethical, legitimate people whom I respected, I respect Mr. Coffin tremendously. He was a very close friend of mine. I saw people I was very close to breaking the law without any regard for any other person's pattern of behavior or belief.

I believed as firmly as they did that the President was correct in this issue. So, consequently—and let me just say, when these subjects came up and although I was aware they were illegal, and I am sure the others did, we had become somewhat inured to using some activities that would help us in accomplishing what we thought was a cause, a legitimate cause.

Now, that is absolutely incorrect; two wrongs do not make a right.

For the past year, I have obviously had to consider that and I understand completely that that was an absolute, incorrect decision. But that is basically, I think, the reason why that decision was made, because of that atmosphere that had occurred and to all of us who had worked in the White House, there was that feeling of resentment and of frustration at being unable to deal with issues on a legal basis.

Senator BAKER. There are countless cliches that come to mind that I could use to try to describe that state of mind or that attitude—fighting fire with fire, two wrongs don't make a right, and all the rest. But they all seem inadequate.

Mr. MAGRUDER. Well, they certainly were and I have no justification for them, nor will I make any today. I fully accept the responsibility of having made an absolutely disastrous decision, or at least having participated. I didn't make the decision, but certainly participated in it.

Senator BAKER. A decision really that is going to affect history that was made in almost a casual way.

Mr. MAGRUDER. Yes, sir.

Senator BAKER. So on January 27, February 4, March 30, 1972, you considered a plan formulated by Mr. Liddy for illegal and clandestine activity. It was put into effect and ultimately led to a break-in of the Democratic National Committee headquarters at the Watergate on May 28, 1972, which went undetected.

Mr. MAGRUDER. Yes, sir.

Senator BAKER. We understand from other testimony—I do not remember whether you made the point or not—that there was criticism of the first break-in, I believe by Mr. Mitchell, that it did not produce the desired results and there was a second break-in effort on June 17, 1972.

Mr. MAGRUDER. Yes, sir.

Senator BAKER. And the illegal entry was detected. It was reported to you and others, including Mr. Mitchell, Mr. Dean, and Mr. LaRue, during your visit in California.

Mr. MAGRUDER. It was reported to Mr. Mardian, Mr. LaRue, myself, and Mr. Mitchell. Mr. Dean was not in California with us.

Senator BAKER. Someone suggested, I think Mr. Haldeman, from Key Biscayne, that you should return to Washington on June 19.

Mr. MAGRUDER. He suggested it to me.

Senator BAKER. Let's examine that conversation a little more.

What was the extent of Mr. Haldeman's knowledge of the situation? What did he tell you and why did he ask you to return?

Mr. MAGRUDER. Senator, I don't know the extent of his prior knowledge.

Senator BAKER. What did he appear to know?

Mr. MAGRUDER. The discussion was simply what had happened. I told him that the break-in had occurred, that the five people had been apprehended, that one of them was Jim McCord, our security chief, that money was found there that was probably our money, although we did not know at that time. He suggested that I get back to Washington to try to solve that matter.

Senator BAKER. Can you elaborate that conversation at all?

Mr. MAGRUDER. It was a straightforward discussion of the problem and in effect—Magruder, you get back and try to solve that problem. He did not suggest, and I want to make it clear, that I start any cover-up or anything of that kind. He just wanted somebody back there to get hold of the situation, because obviously, it was going to deteriorate.

Senator BAKER. Did he tell anyone else to go back or suggest to you that anyone accompany you?

Mr. MAGRUDER. No, he did not. He specifically asked me to go.

Senator BAKER. What I am going to ask, Mr. Magruder, is patently unfair to you and to Mr. Haldeman. But with that apology in advance and with the full foreknowledge that as far as I am concerned, I am asking for the purpose rather than the content of the conversation, because we will have Mr. Haldeman here later as a witness—can you tell me anything about that conversation, the tone of voice, the mannerisms, the anxiety, the lack of concern—are there any indices of emotion or content of that conversation that indicate to you that Mr. Haldeman knew how the break-in had been planned and executed, what was involved and what had to occur?

Mr. MAGRUDER. I think—I have known Mr. Haldeman for a considerable length of time, I have worked for him. I happen to respect him tremendously, still do, will continue to do, because I think he is an extremely competent and fine individual. But his manner of working, as many of you Senators on the Republican side know, is rather direct, somewhat abrupt. He is not one who engages in long discussions over issues—at least in his working relationship with people who are subordinate to him, which in effect, although I did not work directly under him at that time, I still was. So our discussion was rather short and rather to the point, rather one of, you have got a problem, you had better solve it.

Senator BAKER. And you went back and on June 19, you had a series of meetings with who—with Mr. Mitchell?

Mr. MAGRUDER. Well, on June 19, on the Monday, I met with Gordon Strachan, John Dean, Gordon Liddy, and Hugh Sloan, primarily.

Senator BAKER. Did everyone of those people know what had occurred, how it occurred?

Mr. MAGRUDER. Mr. Strachan did, Mr. Dean did. I do not know whether Mr. Sloan did or not. He has indicated he did not. I accept that at face value. Mr. Liddy, of course, did.

Senator BAKER. When did you first begin planning the coverup?

Mr. MAGRUDER. I think there was no question that the coverup began that Saturday when we realized there was a break-in. I do not think there was ever any discussion that there would not be a coverup. At least, I did not participate in any discussion that indicated anything else except at one point where we possibly thought that I might volunteer to become the key figure in the case.

Senator BAKER. An historic decision to go forward with this plan was followed with another historic decision to cover it up without any great debate or discussion of the matter.

Mr. MAGRUDER. That is correct, sir.

Now, I think to be fair, Senator, I think at that point in time, you have to realize that: One, I felt, and I can't speak for the others, that the President had no knowledge of this plan and consequently, if he had been, if it had gotten out that people like Mr. Mitchell and others had been involved at that point in time, I honestly thought that his reelection would be probably negated.

Now, at that time——

Senator BAKER. Did it ever occur to you——

Mr. MAGRUDER. I knew it was wrong, but I thought it was the best decision to make.

Senator BAKER. Did it ever occur to you at that time, and I am not saying this to impugn your character or testimony, but I really want to know, did it ever occur to you that there might be other alternatives, that one of them might be to report this directly to the President or to the FBI and make a clean breast of it at that moment, that that might have less effect on the election, rather than more effect——

Mr. MAGRUDER. As I said, we did indicate at one point that we might possibly do that up to a certain point. I think it was felt that if it ever reached Mr. Mitchell before the election, the President would lose the election. Since he was not involved, to my knowledge, I thought that was the best decision. I did not think it was a right decision, but I thought it was the best decision.

Senator BAKER. Did you think that was a decision for the President to make?

Mr. MAGRUDER. Sir, I can't comment as to whether he did or did not or was involved in it. I had no dealings directly with the President.

Senator BAKER. I am not asking you whether he did or not. That question has been and I am sure will be asked again and again of you and the witnesses. What I am asking you is whether or not it occurred to you that a decision of that matter ought to be a Presidential decision.

Mr. MAGRUDER. I assumed that the higher authorities in the campaign and at the White House would handle it in a way which they thought was best for the President and I accepted that position——

Senator BAKER. Is it your testimony, Mr. Magruder——

Mr. MAGRUDER. Since it was also mine.

Senator BAKER. Yes. Is it your testimony that after June 17, in a series of meetings with Mr. Mardian, Mr. Mitchell, and Mr. Dean, there was never any doubt about your course of action, you were going to go into a coverup operation?

Mr. MAGRUDER. Yes, sir.

Senator BAKER. Was there ever any consideration of presenting this material to the President for his information and knowledge and for his determination?

Mr. MAGRUDER. Again, Senator, I would not have been in a position to do that. It would have been people at the other level. I do not know what occurred between Mr. Mitchell, Mr. Haldeman, Mr. Ehrlichman, and the President. There is no way I would have known that question, an answer to that question, sir.

Senator BAKER. Thank you, Mr. Chairman.

Senator ERVIN. Senator Inouye.

Senator INOUYE. Thank you very much, Mr. Chairman.

Mr. Magruder, in a political campaign, numerous decisions are made in a day's time, hundreds. Some are very important, some unimportant. Some involve major policy decisions. Would you consider intelligence gathering in the major policy category?

Mr. MAGRUDER. At that time, I did not. I was personally more involved in what I call the technical operations of the committee. Again, of the $50 million Mr. Stans has indicated we spent in that campaign, most of my time was spent on what I would call the substance of the campaign—the direct mail, the advertising. The intelligence gathering was what it was called, I think Mr. Reisner used the term "through-away."

Senator INOUYE. What about a coverup decision?

Mr. MAGRUDER. That was a major decision.

Senator INOUYE. Who would make such a decision?

Mr. MAGRUDER. Well, as I have said, I think, that everyone who was involved without hesitation agreed to that coverup.

Senator INOUYE. I would like to remind you of January 4–5, 1973, at which time you participated in a panel of the Harvard faculty club library sponsored by the Neimann fellowship program and the Kennedy Institute. I will read from the transcript:

> Jeb, you keep saying "we decided," and so forth. I have a fair idea of who were making the decisions in the Muskie campaign or maybe the McGovern campaign, but I am really curious about the "we" in your campaign. How was your decision-making done? How much was the President personally involved? What was Mitchell's role? What was Haldeman's role? What decisions were you yourself making? How was it all working?

MAGRUDER. I thought we always made it very clear how our decisions were made. There was basically a triad of senior decision-makers—the President, Bob Haldeman, and John Mitchell until July of 1972. They were in constant consultation with each other over major activities.

Would you like to comment, sir?

Mr. MAGRUDER. I think that is absolutely consistent with what I have said. I said that Mr. Mitchell and other high officials agreed with this coverup and to my knowledge, I never knew and I think I clarified later in that statement at Harvard that I, myself, never had any direct dealings with the President. I did know that on key campaign decisions, at times there was input from the President. I have no knowledge of any input from the President on this decision.

Senator INOUYE. But you would consider this a key, major policy decision?

Mr. MAGRUDER. Well, I think the coverup certainly was a key decision, yes.

I think there is an inference there, Senator, though, that is unfair to the President. I did not say he had participated in every major decision. I said that Mr. Mitchell and Mr. Haldeman were the key conduits from our standpoint and that certainly, obviously, certain decisions the President was involved in.

Senator INOUYE. They were in constant consultation with each other over major activities?

Mr. MAGRUDER. That is correct.

Senator INOUYE. In the intelligence-gathering decision, was the matter of national security involved?

Mr. MAGRUDER. No, sir, not necessarily, although I think it should be clear that in my response to Senator Baker, we had correctly, I think, put together parts of what I would call the left-wing part of the Democratic Party with each of the antiwar activities and we were concerned about their response to the President's candidacy. Now, I do not recall that national security, but I do think it does relate to some of the reasons why we did get into an extensive intelligence operation.

Senator INOUYE. Learned commentators have suggested that we have at the present time in the White House two competing organizations, one headed by Mr. Mitchell and the other, by Mr. Haldeman. Did you have two competing organizations?

Mr. MAGRUDER. No; I would disagree with that completely. To my knowledge, in every meeting I ever attended with Mr. Haldeman and Mr. Mitchell, they were on extremely good terms. I never saw any difficulty in Mr. Haldeman or Mr. Mitchell agreeing. In fact, I think that is one reason Mr. Mitchell agreed to run the campaign, because he knew Mr. Haldeman would be his chief day-to-day contact at the White House. I disagree with that statement. That has been bandied about, I know. I do not agree with that.

Senator INOUYE. Is there a possibility that one group of people are trying to make another group the scapegoats for this?

Mr. MAGRUDER. I cannot—I do not think so. I do not see any evidence of that specific type of activity. Obviously, everyone now is basically on his own and consequently, it is difficult to say anything is of a coordinated, concerted effort at this time. I would think most individuals are operating independently of each other at this time.

Senator INOUYE. Several people have been involved in the Watergate and its aftermath, and in most cases, those involved or identified have come forth and spoken, either voluntarily or involuntarily. But one man stands out. He has remained silent. No one seems to be able to move him. Mr. Liddy. Why is he keeping silent, do you know?

Mr. MAGRUDER. I have no idea. He is under appeal. I assume he feels he has a better opportunity under appeal than he does by speaking out now.

Senator INOUYE. In your testimony, you discussed Executive clemency, taking care of the family, paying expenses. Was Mr. Liddy promised anything?

Mr. MAGRUDER. My assumption is that he was promised what all the others were.

Senator INOUYE. What were they promised, sir?

Mr. MAGRUDER. I do not know. I only know what I talked about relating to myself.

Senator INOUYE. What were you promised, sir?

Mr. MAGRUDER. Well, as I indicated before, I talked about salary, taking care of the family, legal cost, potential Executive clemency, assistance in getting a job, and so on—that type of thing.

Senator INOUYE. We have received testimony that Mr. Strachan was a very important conduit, that he was the liaison between the committee and the White House; that on the other end was Mr. Haldeman.

Mr. MAGRUDER. Yes, sir.

Senator INOUYE. Did you receive any indication that Mr. Strachan did in fact convey those memos and messages that you have been sending to him through Mr. Strachan?

Mr. MAGRUDER. Well, Mr. Strachan had a method of working with Mr. Haldeman I am unaware of, because I have seen some of the documents and that was, he would do a summary sheet capsulizing activities of the campaign. I do not know how often he did it but it was a straightforward memo that condensed much of the information that we would give Mr. Strachan. That was his typical method of dealing, I think, with Mr. Haldeman. Of course, he could give you more information directly, and I gather he usually sent back material when he thought it was appropriate.

Senator INOUYE. Did you receive any feedback from Mr. Haldeman indicating that he had in fact received these memos?

Mr. MAGRUDER. No, sir.

Senator INOUYE. You spoke of a conversation with Mr. Charles Colson in February or March 1972 in which Mr. Colson urged you to approve the Liddy plan.

Mr. MAGRUDER. Yes, sir.

Senator INOUYE. How many Liddy plans were in existence at that time?

Mr. MAGRUDER. Well, to my knowledge, there was only the one plan that continually was revised downward.

Senator INOUYE. So there was no question as to which plan Mr. Colson was talking about?

Mr. MAGRUDER. In that context, I would assume that that is correct.

Senator INOUYE. There was no other Liddy——

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Mr. MAGRUDER. I knew of no other Liddy plan, no, sir. He was, let me make it clear, doing other minor projects in the intelligence-gathering field but they were basically of a minor nature.

Senator INOUYE. But this was the Liddy plan?

Mr. MAGRUDER. Yes, sir.

Senator INOUYE. We have received testimony which indicated that you made early morning calls to Key Biscayne right after receipt of the news of the break-in, in fact, a witness testified that you made a call at 4 in the morning.

Mr. MAGRUDER. That is incorrect, sir. The only discussion I had with Key Biscayne was on Sunday with Mr. Haldeman. I talked to the White House in Washington that day on Saturday. Four in the morning——

Senator INOUYE. Sunday.

Mr. MAGRUDER. Sunday, well, my wife is here and I think she could testify we were both in bed at that time. We—now, Sunday morning we were at a fund—well, a celebrity dinner and it was late when we got back, late but I do not recall talking to Key Biscayne at that time in the morning.

Senator INOUYE. You have testified that Mr. Moore and Mr. Liddy met with Mr. Kleindienst at the Burning Tree Country Club.

Mr. MAGRUDER. I was told that, sir, yes.

Senator INOUYE. By whom, sir?

Mr. MAGRUDER. Mr. Moore.

Senator INOUYE. So you are not personally aware of the conversation?

Mr. MAGRUDER. I was in California at the time, sir, and he was, Mr. Liddy was, instructed to go out there.

Senator INOUYE. Did you have any conversations with Mr. Kleindienst?

Mr. MAGRUDER. No, sir.

Senator INOUYE. When you appeared before the grand jury did the prosecutor ask you anything about Mr. Sloan's testimony that you had requested that he perjure himself?

Mr. MAGRUDER. Yes, sir, we had a lengthy discussion with Mr. Silbert and, I think, Mr. Campbell, I think, at that time over that question, and I think they agreed with me, and still do, that there was a difference of opinion. He was in a certain—he had certain fixed opinions on that situation that I think related to personal matters than they did to the facts in the case.

Senator INOUYE. At that time you were lying, were you not?

Mr. MAGRUDER. No, sir; not about my discussions with Mr. Sloan.

Senator INOUYE. Why did they not ask you that in the trial?

Mr. MAGRUDER. I am sorry. Why did they not ask me?

Senator INOUYE. The prosecutors.

Mr. MAGRUDER. Which question?

Senator INOUYE. About your suggesting to Mr. Sloan that he perjure himself?

Mr. MAGRUDER. I do not think that was relevant to the case that was on the docket at that time. The case had nothing to do with Mr. Sloan.

Senator INOUYE. It had something to do with the Watergate, did it not?

Mr. MAGRUDER. You would have to ask the prosecutors why they did not ask that question. I can see no relevance to a disagreement as to what exactly was said between Mr. Sloan and I.

I think, Senator, just to follow up, the prosecution, I think last week indicated there was still a difference and that they had agreed with my interpretation of that discussion.

Senator INOUYE. I would like to discuss your discussions with Mr. Haldeman. You had one on the telephone at Key Biscayne. Any others after that?

Mr. MAGRUDER. On the Watergate, Senator?

Senator INOUYE. Yes.

Mr. MAGRUDER. No, until the January discussion. Then, we met with Mr. Mitchell in April and then I had a couple of phone conversations with his assistant when I—just to let him know that I had decided, because I now had retained independent counsel, that I would cooperate and in cooperating that certain people would be implicated.

Senator INOUYE. Now, when you discussed this matter in January, I presume that you told Mr. Haldeman everything you knew about the coverup?

Mr. MAGRUDER. I think my main purpose, Senator, was to just indicate that there were a number of people involved and that in case people's memory was growing short I hoped he realized it was not myself or any other single individual who was involved in this coverup.

Senator INOUYE. This was in January?

Mr. MAGRUDER. Yes, sir.

Senator INOUYE. Were you surprised when the President announced that he had decided to begin an investigation on March 21?

Mr. MAGRUDER. Was I surprised?

Senator INOUYE. Yes.

Mr. MAGRUDER. Well, knowing full well of Mr. Dean's role I could well imagine that the President possibly had been informed incorrectly, since he was investigating his own problem, I could see where he could very easily have misled individuals at the White House to protect himself.

Senator INOUYE. But you had notified Mr. Haldeman in January of the correct activities.

Mr. MAGRUDER. Yes, sir.

Senator INOUYE. You expected Mr. Haldeman to communicate with the President, did you not?

Mr. MAGRUDER. On that matter, sir?

Senator INOUYE. Yes.

Mr. MAGRUDER. I did not expect—I was talking mainly to be sure that Mr. Porter was taken care of directly after the inaugural and to discuss my own employment situation. I did not expect him to discuss my discussion necessarily with the President unless he felt it was appropriate. I did not go to him to go to the President. I only went to him as the senior man at the White House.

Senator INOUYE. But you did discuss the Watergate and the coverup, did you not?

Mr. MAGRUDER. Yes; but I did it for the purpose of explaining the total context of the coverup and the Watergate plan.

Senator INOUYE. Mr. Magruder, in your testimony this morning, you have indicated that there were several who knew about the coverup

such as Mr. LaRue, Mr. Mitchell, Mr. Dean, and I believe you used two words, "and others." Could you tell us about the others?

Mr. MAGRUDER. I think Mr. Mardian was to some extent involved.

Senator INOUYE. I will list a few names.

Mr. MAGRUDER. Yes, sir.

Senator INOUYE. Mr. Dean knew about the coverup?

Mr. MAGRUDER. Yes; yes, sir.

Senator INOUYE. Mr. Mitchell knew about the coverup?

Mr. MAGRUDER. Yes, sir.

Senator INOUYE. Mr. Haldeman knew about the coverup?

Mr. MAGRUDER. Directly from my knowledge only in January. I did not know directly before.

Senator INOUYE. Mr. Ehrlichman knew about the coverup?

Mr. MAGRUDER. I did not ever know that Mr. Ehrlichman knew about the coverup.

Senator INOUYE. Mr. Kalmbach?

Mr. MAGRUDER. I only knew in Mr. Kalmbach's case he was funding the coverup. [Laughter.]

Senator INOUYE. Mr. Mardian.

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. I request the audience again to refrain from laughing.

Senator INOUYE. Mr. Kleindienst?

Mr. MAGRUDER. No, sir, I did not know of any involvement by Mr. Kleindienst.

Senator INOUYE. Mr. Gray?

Mr. MAGRUDER. No, sir, I had no direct knowledge of Mr. Gray's involvement.

Senator INOUYE. Mr. Strachan?

Mr. MAGRUDER. Yes, he was aware of the coverup.

Senator INOUYE. Mr. LaRue?

Mr. MAGRUDER. Yes, he was aware.

Senator INOUYE. Mr. Egil Krogh?

Mr. MAGRUDER. Mr. Egil Krogh? I cannot specifically recall any direct knowledge that I would have known that he knew about the coverup.

Senator INOUYE. Mr. Colson?

Mr. MAGRUDER. I have no direct knowledge that Mr. Colson knew about the coverup.

Senator INOUYE. Mr. Howard, Mr. Colson's aide?

Mr. MAGRUDER. I don't think he knew directly about the coverup. I think he realized that we had some problems that we were taking care of.

Senator INOUYE. Mr. Reisner?

Mr. MAGRUDER. No. All of the employees of the committee who were not involved in the coverup purposely—we made a substantive decision in a sense to be sure they were not aware of the coverup so that they themselves would not become involved in any problems relating to this coverup.

Senator INOUYE. Mr. Stans?

Mr. MAGRUDER. Only the discussion I had in June with Mr. Stans which would indicate some knowledge after that point to some extent.

Senator INOUYE. Mr. Sloan?

Mr. MAGRUDER. Yes, I am sure he knew about the coverup.

Senator INOUYE. Mr. Porter.

Mr. MAGRUDER. Only to the extent that he has testified that he assisted me for what he thought were legitimate reasons.

Senator INOUYE. Mr. Odle?

Mr. MAGRUDER. No, as far as I know he did not know.

Senator INOUYE. Mr. Moore?

Mr. MAGRUDER. Again I know Mr. Moore was aware of the trip to Burning Tree Country Club. What Mr. Moore then knew later I just, I don't know what Mr. Liddy and Mr. Moore talked about; you would have to talk to Mr. Moore directly.

Senator INOUYE. Finally the President?

Mr. MAGRUDER. To my knowledge no, no direct knowledge.

Senator INOUYE. Mr. Chairman, I know the time has run out and I thank you very much.

Thank you very much.

Senator ERVIN. The committee will stand in recess until 2 o'clock.

[Whereupon, at 12:10 p.m., the committee recessed, to reconvene at 2 p.m., the same day.]

AFTERNOON SESSION, THURSDAY, JUNE 14, 1973

Senator ERVIN. The committee will come to order.

Senator Weicker.

Senator WEICKER. Mr. Magruder, on the chart over there, there is indication you received $20,000. Would you tell the committee exactly how you disbursed that money?

Mr. MAGRUDER. Yes, sir. I received a request from the White House to disburse $20,000 to a columnist and writer who had done writing work, as I understood it, for the—either for the White House or in relationship to a book that he was writing—and so consequently, he requested it in cash and I requested from Mr. Sloan $20,000 and gave it to the writer.

Senator WEICKER. Who was the writer?

Mr. MAGRUDER. Mr. Victor Lasky.

Senator WEICKER. Victor Lasky; so you paid $20,000 in cash to Mr. Victor Lasky, is that correct?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Now, would you tell the committee, I believe you touched upon this this morning, what Mr. Dean told you after your August 16 grand jury appearance?

Mr. MAGRUDER. He simply notified me the next day that I would not be indicted.

Senator WEICKER. Do you have any indication as to the basis for that statement?

Mr. MAGRUDER. My understanding was it was from official sources.

Senator WEICKER. Official sources being what?

Mr. MAGRUDER. Being the Justice Department.

Senator WEICKER. Did you know of any influence exerted by the White House over U.S. attorneys and/or the grand jury?

Mr. MAGRUDER. No; I do not. As a matter of fact, at least in relation to the U.S. attorneys I got the opposite impression.

Senator WEICKER. You got the opposite impression from whom?

Mr. MAGRUDER. Pardon?

Senator WEICKER. You got the opposite impression from whom?

Mr. MAGRUDER. From Mr. Dean, primarily.

Senator WEICKER. Well, if he gave you the opposite impression so far as the U.S. attorneys were concerned, who was he talking about when he indicated that you would not be indicted?

Mr. MAGRUDER. You were indicating whether there was any influence. My indication from Mr. Dean was that they had no influence over the U.S. attorney. But when evidently the U.S. attorneys had decided not to indict me after the August 16 grand jury appearance and they transmitted that to the appropriate officials, Mr. Dean evidently was notified of that fact.

Senator WEICKER. Did you ever learn that Mr. McCord was receiving information from the Internal Security Division of the Justice Department?

Mr. MAGRUDER. I do not think I knew that before I read it in the papers. But I could not be—I would not be sure about that as a singular fact. He did receive information that he passed on to us at times which I think now, in recollecting probably came from that Division.

Senator WEICKER. Now, what did Mr. Strachan do before he went to work for Mr. Haldeman?

Mr. MAGRUDER. He worked for me at the White House.

Senator WEICKER. Now, in the earliest part of your testimony this morning, and this will be a matter of the transcript which I have not had an opportunity to review, but relying on my recollection, in setting the stage of personnel at the top level you indicated Mr. Mitchell, Mr. Strachan, liaison to Mr. Haldeman and I thought you said Mr. Haldeman as liaison.

Mr. MAGRUDER. Mr. Haldeman was the official, the senior White House official who dealt directly and was responsible for—in direct dealings with our committee, Mr. Strachan was his aide in doing the day-to-day leg work in relation to this.

Senator WEICKER. And you indicated during the course of your testimony that you reported matters to Mr. Strachan which you cared to have come to the attention of Mr. Haldeman, is that correct?

Mr. MAGRUDER. I think what I stated——

Senator WEICKER. I am trying to establish the chain.

Mr. MAGRUDER. What I think I stated this morning was that all documents and all activity that we engaged in by prior agreement with Mr. Mitchell and Mr. Haldeman went directly to Mr. Strachan for Mr. Haldeman's perusal or for whatever action he may deem appropriate.

Senator WEICKER. And Mr. Haldeman's function then would be to liaison with the President, is that not correct?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. All right. Now, we are going to try to walk through the particular series of events all of which were referred to in your testimony this morning. And they all relate to the conversations that you had with Mr. Strachan.

Is it true that the first conversation that you had with Mr. Strachan about the Liddy project was after the January 27 meeting?

Mr. MAGRUDER. To my recollection it would have been after, because I cannot recall discussing in any detail the Liddy project with Mr. Liddy until he presented it to Mr. Mitchell.

Senator WEICKER. Or any——

Mr. MAGRUDER. There probably were discussions with Mr. Strachan about the fact that Mr. Liddy was going to do intelligence work for us before that date but not as to the specifics of his proposal since I saw it for the first time at that meeting.

Senator WEICKER. Did you discuss then, I just want to establish this without going into it in great depth unless you care to go into it, are you indicating to me that there might have been discussions with Mr. Strachan about the type of a project which was specifically presented to you at the January 27 meeting prior to January 27?

Mr. MAGRUDER. No; I simply—I am sure we discussed Mr. Liddy's intelligence-gathering role but since I did not know the specifics of his project, it must have been in general terms.

Senator WEICKER. All right. So we can start then definitely after the January 27 meeting. You did report details of that meeting?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Which related specifically to getting into the Democratic headquarters, bugging, et cetera, it also had some rather unusual features, I am talking about just the $1 million budget?

Mr. MAGRUDER. And, excuse me, Senator, the first meeting we did not discuss, as I recall, any targets at that time.

Senator WEICKER. I see. Just the general scope and that was reported to Mr. Strachan.

Now, we come to the February 4 meeting. At this meeting specific targets were discussed, is that not correct?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And what targets were discussed?

Mr. MAGRUDER. Primarily the Democratic National Committee headquarters in Washington, the Fontainebleau Hotel which was to be their headquarters at the convention, potential Democratic candidates headquarters and the subject of the publisher of the Las Vegas paper came up also.

Senator WEICKER. And the Democratic national headquarters?

Mr. MAGRUDER. Yes, sir, I had mentioned that first.

Senator WEICKER. Yes.

And this is the so-called economy version of the January 27 meeting stripped down to $500,000 budget, is that correct?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And you reported the details of this to Mr. Strachan, is that correct?

Mr. MAGRUDER. Yes, sir. In that case I did have this proposal on the black sheets of paper and as I recollect sent them over to Mr. Strachan.

Senator WEICKER. So that Mr. Strachan had both notes of that meeting and possibly also the budget sheets of that meeting?

Mr. MAGRUDER. Yes, sir. He would have automatically have had the budget sheets.

Senator WEICKER. Now, on May 20, at least this is the next date I have, Mr. Strachan interceded on Mr. Liddy's behalf when, in fact, you had wanted Liddy fired?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And he persuaded you, talking about Mr. Strachan, to not object to Mr. Liddy's—I am trying again to paraphrase, not to object to his presence on the scene, and that he would be conducting his intelligence operations underneath the finance committee, is that right?

Mr. MAGRUDER. I think "persuade" is too strong a word, he talked to me, Mr. Dean talked to me, Mr. LaRue and I had talked. It was the general opinion from their standpoint and I then agreed with it—was that it would be best to let him continue intelligence work.

Senator WEICKER. But the specific request by or the specific reason for continuing Mr. Liddy on as explained by Mr. Strachan, was not for his legal ability but for his intelligence-gathering ability, is that correct?

Mr. MAGRUDER. That is correct. We did not keep him on in that capacity, in this legal capacity, in that committee, he was transferred to the finance committee.

Senator WEICKER. I see. Now, upon your return from the meeting at Key Biscayne, Fla., which meeting, as I understand it, was held with John Mitchell, would you indicate who else was at the meeting?

Mr. MAGRUDER. Fred LaRue.

Senator WEICKER. Fred LaRue and John Mitchell, you called Gordon Strachan after getting back to Washington?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And what did you tell Mr. Strachan?

Mr. MAGRUDER. Simply that the project had been approved at the $250,000 level and what the targets were and what we—what the plans would be, and which he had already, of course, been aware of.

Senator WEICKER. And again, if you could, just indicate those plans, what those plans were.

Mr. MAGRUDER. They were to wiretap the Democratic national headquarters, specifically Mr. O'Brien's office, to possibly, if it was appropriate and if we had the funds to consider the Fontainebleau Hotel which was to be their headquarters at the convention, and also the McGovern headquarters, or I shouldn't say McGovern, the Democratic presidential candidate's headquarters at that time had not been determined.

Senator WEICKER. Did you send to Mr. Strachan at that time the copies of the notes taken at that meeting with Mr. Mitchell's notation?

Mr. MAGRUDER. I would not remember whether I did that or not, Senator. I typically would have destroyed those notes.

Senator WEICKER. Right. But in any event he was completely apprised as to the content of the Key Biscayne meeting?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Now, after Memorial Day, that is the next incident I have in my notes, you informed Mr. Strachan that Gordon Liddy had made a successful entry into the Democratic national headquarters, is that correct?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Anything else in that particular conversation that you transmitted to Mr. Strachan?

Mr. MAGRUDER. No; I am sure there wasn't because at that time we had no other—we had no fruits of their labors.

Senator WEICKER. Am I correct—incidentally, I don't want to move along too fast here, is my chronology correct, were there other times in between here where you had conversations with Mr. Strachan relative to these activities. I don't mean others.

Mr. MAGRUDER. There could very well have, Senator, but because there was nothing specific about them I don't recollect them.

Senator WEICKER. I just want to make sure that neither I nor you miss them.

Now, during the first 2 weeks of June, you must have contacted Mr. Strachan relative to the Gemstone material, is that correct?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And in this particular instance, obviously, it must have been considered important to the extent that nothing was sent to the White House, but rather you requested that Mr. Strachan come down to the Committee To Re-Elect the President. Is that correct?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Would you mind telling me as to why you felt that was the best way to do things in this instance?

Mr. MAGRUDER. These were in effect logs of wiretap conversations and I did not think it was appropriate to send them over to the White House by messenger.

Senator WEICKER. So really, the inhibition was by messenger. You knew they were going back over to the White House?

Mr. MAGRUDER. I am sorry. Most all of the documents—in fact, all of the documents in the entire campaign except the Gemstone file, were automatically sent over by messenger to Mr. Strachan for Mr. Haldeman. This was the only document I can recall, these two sets of documents, the Gemstone documents that I did not send over by messenger because I thought they were of a sensitive nature——

Senator WEICKER. Too sensitive.

Mr. MAGRUDER. Too sensitive to send over by messenger.

Senator WEICKER. So your transmission of this material was a mental transmission rather than a physical transmission, is that correct?

Mr. MAGRUDER. Yes; I called him and told him I had the documents there for his perusal but I would keep them there in my office.

Senator WEICKER. I understand. Did he come over?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Did he look at them?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And I think we can assume that he returned to the White House?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Now, we are at June 17. I just want to ask once again as to whether or not there are any other contacts between you and Gordon Strachan prior to the break-in that you feel this committee should know about.

Mr. MAGRUDER. I would not recall anything specific. I think probably, after the time Mr. Mitchell indicated to Mr. Liddy his dissatisfaction, I think I would have normally, as a matter of course, indicated to Gordon that we had hoped that Mr. Liddy would do a better job on his next go-around, something to that effect. But I do not recollect that specifically.

Senator WEICKER. Would you say that Mr. Strachan, on the evening of June 16, was as well briefed on the intelligence operation in the Committee To Re-Elect the President as anybody within the campaign organization?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Now, on June 17, did you call Gordon Strachan?

Mr. MAGRUDER. Yes, sir; I called him Saturday afternoon at some point.

Senator WEICKER. And what was the nature of that conversation?

Mr. MAGRUDER. Simply to alert him to the break-in, give him the details of what we were doing in Los Angeles, and particularly Mr. Mitchell's statement; nothing more than a discussion of what happened.

Senator WEICKER. When you say give him the details, what details were you giving him? You were in Los Angeles?

Mr. MAGRUDER. Well, we had heard, and I do not think it had been reported by that time through Mr. Odle, that Mr. McCord had been arrested. That is the point that I called Mr. Strachan. We had heard Mr. McCord had been arrested earlier through Mr. Liddy and it became more official, and any efforts to release him had not been successful. So we knew that he would be in jail for a period of time. It was at that point that I called him.

There was a high degree of concern on our part and I imparted that concern, as there was on his part, of course.

Senator WEICKER. During that conversation with Mr. Strachan, did you discuss the money in possession of the defendants?

Mr. MAGRUDER. As I recall, it came out in the evening news that some $5,300 had been found in the defendants possession. We had hoped that it was Democratic money, not our money. But at that time, it was not known as to whose money it was. It was not until Monday when I talked to Mr. Sloan that I knew it was our money.

Senator WEICKER. And on June 18, you received a call from Mr. Haldeman. Is that correct?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And during that telephone conversation, Mr. Haldeman asked, "What happened?"

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Well, now, how did you take that question? Did you think he was referring to what happened as it related to the particular events of the arrest or did you feel that this was a "what happened" relative to the whole operation? Were you surprised that Mr. Haldeman should ask the question, what happened?

Mr. MAGRUDER. No, sir.

Senator WEICKER. You were not surprised? Or you were surprised?

Mr. MAGRUDER. No; I was not surprised.

Senator WEICKER. In other words, you felt in this telephone conversation, where he called you, that he truly was trying to find out from scratch as to what occurred?

Mr. MAGRUDER. No; I didn't say that. I was not surprised that he called——

Senator WEICKER. Why don't you tell me, then, your reaction to his call?

Mr. MAGRUDER. I was not surprised that he called me. It was a typical conversation that I had had many times with Mr. Haldeman, very short, to the point. He asked what had happened. I told him to the best of our knowledge. He asked me what statement were we going to—I think we had put out the statement but it hadn't been released to the press at that time. I explained what we were trying to do. He explained his concern that someone, specifically myself, get back to Washington and get hold of the situation and get the details and make sure that things were handled correctly.

Senator WEICKER. Mr. Magruder——

Mr. MAGRUDER. As much in a PR sense, Senator, as in any other sense at that point in time.

Senator WEICKER. What did you tell him? What did you tell him during the course of that conversation that you did not tell Gordon Strachan the night before?

Mr. MAGRUDER. I don't think there was any difference in my conversation other than—there probably was no difference in the content of the conversation. It was simply a factual description of what had happened.

Senator WEICKER. Why do you feel, then, that Mr. Haldeman had to go ahead and call you if in fact you had given a complete description of the incident to Mr. Strachan, and certainly as far as all the background material was concerned, did you make the assumption that all of this had been transmitted to Mr. Haldeman?

Mr. MAGRUDER. I didn't make that assumption. I did not know what background material. I think Mr. Haldeman called me because of the serious nature of the problem and that this was something that he wanted to directly relate to me on and be sure that we were taking measures to handle the situation. He would call me and had called me periodically during the campaign about various subjects that he felt were important.

Senator WEICKER. Mr. Magruder, do you or did you operate from the presumption, when you were talking to Mr. Haldeman, that he knew what this break-in stemmed from?

Mr. MAGRUDER. Senator, that is a difficult question to answer. I had to assume that since I communicated completely with Mr. Strachan that these communications were known to Mr. Haldeman to some extent. But that is strictly an assumption on my part. At no time until January did I have any idea, and in fact, in the January meeting, Mr. Haldeman indicated to me that he did not have any knowledge of the break-in previous to that.

So, of course, I assumed it simply because I had been working with his assistant. But that is an assumption and purely that.

Senator WEICKER. The reason why I mention this, of course, is that at the executive session of the committee, you have indicated approximately what you told me right here. But may I point out, so that we aren't straining too much at the bit, that we have just run through a very thorough review as to what the chain of command was and you have clearly set it out to this committee. You have run through a review of the meeting of January 27, the meeting of February 4, the meeting of March 20, the meeting of March 30, the meeting after Memorial Day, a meeting within the first 2 weeks of June, and we have run it right up to June 17, and you have indicated that Mr. Strachan was as well briefed in this operation as you or anyone else and had knowledge of it. And with all that background, there was no question in your mind at all as to why the call from Mr. Haldeman?

Mr. MAGRUDER. I think the call was very obvious. The issue was of critical importance and rather than dealing through his aide, he wanted to deal directly with me and Mr. Mitchell in his case as to the action being taken. So he dealt directly with me in this case. He did this numerous times in the campaign.

Senator WEICKER. But you did not feel that you had to give a backgrounder on the subject, did you?

Mr. MAGRUDER. He did not ask for a backgrounder, Senator, as I recall.

Senator WEICKER. Did you, and I want to lay it out here again, did you assume that he had some knowledge—and I emphasize the word "assume." Obviously, at this point in time it was strictly on the basis of experience—experience that you had with Mr. Strachan, experience that you had insofar as laying out the chain of command?

Mr. MAGRUDER. It was natural on my part to assume that there was some knowledge; yes.

Senator WEICKER. Now, why, just out of curiosity, before you move on to the January meeting, why was everyone concerned as you indicated in your testimony this morning, with the money question? Did Mr. Haldeman seem concerned over the money in his phone call?

Mr. MAGRUDER. You mean the $5,300?

Senator WEICKER. That is right.

Mr. MAGRUDER. I think first, there were two concerns: Mr. McCord obviously having been an employee of ours; and second, the money. The money was raised after April 7 and was not reported, in direct violation of the new campaign law, and could be traced back directly to the committee. So I think they were dual concerns. Those were the two initial concerns of the people I have discussed.

Senator WEICKER. Now, let us move to January 1973. I would like to ask a question here.

Am I correct in gathering from your testimony that you never spoke or met with Mr. Haldeman from June 18, 1972, to January of 1973?

Mr. MAGRUDER. No; that is not correct. I spoke with him on numerous occasions and met with him on numerous occasions but did not discuss the Watergate situation in substantive detail. We talked about it. I can recall once or twice talking to him about it as a problem, but not in the same sense; more as to handling it from the campaign standpoint in relation to charges made by Senator McGovern or whatever.

Senator WEICKER. Well, now, in your conversation on June 18 with Mr. Haldeman, his last instruction to you was to get back to Washington, was it not?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And to get things in hand.

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And you went back to Washington?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Now, after you got back to Washington and surveyed the scene, did you get back in touch with Mr. Haldeman?

Mr. MAGRUDER. No; I got back in touch with Mr. Strachan after the Monday night. Well, I talked with Mr. Strachan on Monday. As a matter of fact, he was in Washington, and, of course, after our meeting on Monday night and after I destroyed the Gemstone file, I related those facts to Mr. Strachan, not to Mr. Haldeman.

Senator WEICKER. I see. So that aside from incidental matters and matters relating to the campaign, there was no real discussion between yourself and Mr. Haldeman as to the break-in at the Watergate and related activities between June 18 and January of 1973?

Mr. MAGRUDER. To be very specific, Senator, Mr. Haldeman, the way I worked with him when I worked with him and later when I worked for Mr. Mitchell, is I worked strictly through Gordon Strachan in

this case, or one of his assistants. Only when he called me did I respond. I cannot even recall any time that I initiated a call to Mr. Haldeman.

Senator WEICKER. All right.

Mr. MAGRUDER. Except in the January meeting, when I requested an interview with him to go over the job question.

Senator WEICKER. Now we move to January 1973 and the meeting with Mr. Haldeman. The main purpose of this meeting, as I gather it, was to talk about jobs for Mr. Porter and yourself; is that correct?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Now, you have heard Mr. Sloan's testimony in which he said in response to a question that I asked him that if it did produce discussion on his part, the statement of policy on the case was that no individual who had become a Watergate figure or prominent Government official would be placed in office until the issue was totally resolved.

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Can you give me any indication as to why this general policy was excepted in your case?

Mr. MAGRUDER. I did not know that was the general policy, Senator.

Senator WEICKER. Well, what was nature of the conversation between you and Mr. Haldeman on jobs?

Mr. MAGRUDER. Well, the nature of the discussion was basically, they had considered sending me up to the Senate for confirmation for one or two jobs that required Senate confirmation. During that discussion, he and I agreed that at this time—at that time—it would be inappropriate to go through that process. We both agreed to that. And so as an interim measure, we agreed to a position that turned out to be Director of Policy Development at the Commerce Department, which happened to be a level 4 job that did not require Senate confirmation. And we did not discuss, I think, that job at that time. We discussed the prospects of that kind of a job as an interim measure until the Watergate situation had been completely settled.

Senator WEICKER. Then after the conversation about jobs was over with, did you indicate to him your concern about the Watergate matter?

Mr. MAGRUDER. It was the other way around, Senator. I initiated the discussion on the subject of the Watergate because of what I considered to be beginning memory of difficulties on the part of some of the participants that I thought could have related to my own particular situation.

Senator WEICKER. And you related it to him at that time in January?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. The situation as to the Watergate, as to what was going on, relative to your participation and the story being contrived?

Mr. MAGRUDER. Yes, and it was particularly at that time also in relation to Mr. Porter because he was having difficulty with the personnel department at the White House and I wanted to be sure Mr. Haldeman understood how cooperative Mr. Porter had been.

Senator WEICKER. Was this before or—was this conversation with Mr. Haldeman before or after the trial?

Mr. MAGRUDER. It was before the trial, before the inauguration, sometime early in January, after the first of the year.

Senator WEICKER. So that Mr. Haldeman knew before the trial that perjury was being committed?

Mr. MAGRUDER. Yes, that would be correct. He knew that my statements—well, after the trial he knew that perjury was committed, I think, Senator, might be more appropriate. In other words, I had not made those statements until the trial and then at the trial he would have if he read the trial statements known that perjury had been committed. That may have been a fine difference but that——

Senator WEICKER. Let us be very specific. The trial was not over, is that correct?

Mr. MAGRUDER. As I recall, the trial had just begun. I had not testified.

Senator WEICKER. That is correct. And your meeting with Mr. Haldeman was before the trial was over?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. And the story you told him, you told him before the trial was over?

Mr. MAGRUDER. That is correct.

Senator WEICKER. So Mr. Haldeman knew that perjury was going to be committed?

Mr. MAGRUDER. Was going to be committed and, of course, did not know that it had been committed until after the trial.

Senator WEICKER. But he did know that perjury was going to be committed?

Mr. MAGRUDER. Yes; I think that would be correct.

Senator WEICKER. Now, on the March 29 meeting—let me ask you one other thing; on the meeting in January do you feel that that meeting was taped, the January meeting?

Mr. MAGRUDER. I am not sure. I do not think that meeting was taped. I think all subsequent meetings that I had with either Mr. Haldeman, Mr. Ehrlichman, and I gather meetings I had with Mr. Dean from that time on were taped but I do not have the taped transcripts so I do not specifically know which meetings were or were not taped.

Senator WEICKER. The March 29 meeting——

Mr. MAGRUDER. I know that was taped.

Senator WEICKER. Do you know who is in possession of those tapes?

Mr. MAGRUDER. I do not know personally. I think the prosecutors or Mr. Haldeman's lawyer, I am just not sure. I do know—possibly, Senator, this committee has those tapes, I do not know.

Senator WEICKER. Beg pardon?

Mr. MAGRUDER. Possibly this committee has those tapes, Senator, I do know tapes have been produced and discussed in depositions.

Senator WEICKER. Mr. Chairman, I wonder if I might inquire of counsel, majority and minority counsel, as to whether or not the committee is in possession of those tapes.

Mr. DASH. We are just checking.

We have two tapes under subpena that Mr. Haldeman has given us and one of them does relate, not to Mr. Haldeman and Mr. Magruder, but to a telephone call with somebody other than Mr. Haldeman.

Mr. MAGRUDER. Telephone call with Mr. Higby?

Mr. DASH. Yes.

Mr. MAGRUDER. One was the meeting with Mr. Haldeman and Mr. Mitchell, I think, is that correct?

Mr. DASH. That tape has not been turned over to this committee.

Senator WEICKER. So the matter which is under discussion here, we do not have in our possession.

Mr. DASH. We do not have it but the U.S. attorneys may have it. We have been seeking from the U.S. attorney's office all documents they have under subpena including tapes.

Senator WEICKER. Have we also inquired of Mr. Haldeman as to whether he has these tapes? Do we have a subpena out on this particular matter?

Mr. DASH. Yes, we have a subpena out on Mr. Haldeman for all his tapes and we also have been inquiring of the special prosecutor and his attorney of everything they have received on their subpenas.

Senator WEICKER. Now, Mr. Chairman, I just have one last question; I know I have overstepped my bounds in time here. Various witnesses have been commended who have come before this committee; I have not participated in that exercise for one reason or another, and obviously, I find it difficult to commend the act of perjury but I am going to commend you, Mr. Magruder, for a statement that you made this morning that I think came very much from your heart, in other words, it was not canned, and that was relative to the psychology that encouraged illegal activity. In all the hours I have sat here, as I said, I have seen a lot of atonement going on but I do not think anybody really put their finger on the problem with a sincere feeling as you did this morning.

The attitudes which you discussed, I gather these were attitudes that were prevalent even before the Committee To Re-Elect the President came into being, is that correct?

Mr. MAGRUDER. At least, I can only speak for myself, Senator, but I think that is a correct statement.

Senator WEICKER. In other words, attitudes that were prevalent in the White House and brought over to the Committee To Re-Elect the President.

Well, I just would then like to make my parting shot in my commendation to you that I think you really squared on that one that I do not know who in a governmental sense thought that the Constitution of the United States was not up to it and, I do not know who thought that in an election sense the American people were not up to it, but you say at this point in time that left alone those things will work pretty well and they do not have to be added to.

Mr. MAGRUDER. I could not agree more with you, Senator, now.

Senator WEICKER. Thank you very much. That is all the questions I have.

Senator ERVIN. Senator Talmadge.

Senator TALMADGE. Mr. Magruder, you have been forthright and candid in your testimony before this committee and I congratulate you for this. I was handed a book written by Woodrow Wilson, "The New Freedom," during the noon hour, written in 1913, 60 years ago, and

I think two quotations from that book are particularly in order at this point. I read from page 111, chapter VI, "Let There Be Light."

> The concern of patriotic men is to put our Government again on its right basis by substituting the popular will for the rule of gaudiness, the processes of common counsel for those of private arrangement. In order to do this, a first necessity is to open the doors and let in the light on all affairs which the people have a right to know about. In the first place, it is necessary to open up all of the processes of our politics. They have been too secret, too complicated, too roundabout, they have consisted too much of private conferences and secret understandings.

Then on page 113:

> If there is nothing to conceal, then why conceal it. If it is a public game, why play it in private. If it is a public game, then why not come out in the open and play it in public.

Do you not find that passage particularly appropriate in light of today's problems with which we are confronted?

Mr. MAGRUDER. I would agree with you, Senator.

Senator TALMADGE. Mr. Magruder, in your testimony this morning you implicated a number of former officials high in our Government in a series of crimes, either in the planning or the execution or the coverup. I think the thing the American people want to know most at this point and what this committee is concerned with most at this point, is how many people involved in the Government now or formerly were in the Government, were involved in these series of crimes that were committed.

Now this morning, as I understand it, you were somewhat detailed, you named names, times, places involving a substantial number of officials who were formerly in the Government of the United States in extremely responsible positions.

Do you reaffirm that former Attorney General, Mr. Mitchell, who was at that time director of the campaign to reelect the President, played a prominent part in the planning, execution, and coverup of these matters that have recently been exposed, known as the Watergate affair?

Mr. MAGRUDER. Yes, sir.

Senator TALMADGE. Do you also reaffirm to this committee that Mr. Strachan, who was a White House liaison man for Mr. Haldeman, assigned to your committee, had knowledge of these affairs and had daily reports from you to him concerning them?

Mr. MAGRUDER. Yes, sir. Not daily reports relating to the Watergate though, Senator. He had daily reports totally on all subjects. Watergate only occurred on periodic bases.

Senator TALMADGE. He did have information concerning the Watergate before and after; is that correct?

Mr. MAGRUDER. Yes, sir. That is correct.

Senator TALMADGE. Now, to what extent was Mr. Haldeman involved in the Watergate affair either preplanning or subsequent thereto?

Mr. MAGRUDER. As I have indicated before, Senator, to my knowledge my dealings were only with Mr. Strachan at the White House and Mr. Dean. I am not privileged to the conversations or memos that went between Mr. Dean and Mr. Strachan and Mr. Haldeman or any other official at the White House, so I simply do not know. My first discussion with Mr. Haldeman relating to this matter was the Sunday

after the break-in and, again, I did not have any further discussions with him until January at which time we discussed it in relation to our employment, so it is very difficult for me to directly relate anything other than what I have already testified to, Senator.

Senator TALMADGE. You had assumed since Mr. Strachan was Mr. Haldeman's personal representative, liaison man, the memorandums that you prepared for Mr. Strachan were being delivered to Mr. Haldeman?

Mr. MAGRUDER. I think I mentioned this morning—mentioned that before. Mr. Strachan, because I had seen them a number of times, not with reference to Watergate or intelligence gathering, was simply an update report that he would prepare for Mr. Haldeman and I do not know how often he prepared it and that would, in capsule form, indicate that the campaign committee, as an example, had agreed to do a direct mail campaign for the State of New Hampshire in the primary at a cost of a $100,000. He may, might have attached backup material which might have been a memo from one of our staff people to Mr. Mitchell on that subject or he might not. It was his discretion but he did not send the raw reports to Mr. Haldeman, I know that. He always capsulized it in a memo form because I saw that report numerous times during the campaign.

Senator TALMADGE. As I understood it, the President had two counselors, one was Mr. Colson and the other was Mr. Dean.

Mr. MAGRUDER. Mr. Colson, I think, was special counsel to the President. That was not a legal position, whereas Mr. Dean's role was counsel to the President and was a legal position.

Senator TALMADGE. You testified this morning that Mr. Dean was intimately involved in both the planning, the execution, and the coverup?

Mr. MAGRUDER. Yes, sir.

Senator TALMADGE. Now, to what extent was Mr. Colson involved?

Mr. MAGRUDER. To my direct knowledge only through the telephone conversations that he had with me and some references to that matter that his assistant, Mr. Howard, had relating particularly to Howard Hunt. We did not discuss the specific Watergate wiretapping directly, I did not, with Mr. Colson, other than his admonition to me to in effect get on the stick and get the Liddy project approved so we can get the information from Mr. O'Brien, something to that effect.

Senator TALMADGE. I believe you testified that he urged immediate execution go forward at an early date.

Mr. MAGRUDER. Yes, sir.

Senator TALMADGE. Now, to what extent was Mr. Kleindienst, then Attorney General, involved?

Mr. MAGRUDER. To my knowledge to no extent. I never had any discussions with Mr. Kleindienst on this matter.

Senator TALMADGE. You have no personal knowledge of his involvement either by hearsay, memorandum, or otherwise.

Mr. MAGRUDER. No, sir.

Senator TALMADGE. Now, to what extent was Mr. Stans involved?

Mr. MAGRUDER. To my knowledge, to no extent before April—before June 17, other than as chairman of the finance committee being aware of the cash disbursements that were being made to Mr. Liddy.

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Now, on June 24, I think it was, on a Saturday we did meet and discuss the Watergate problem with him and my best recollection is we didn't go into specifics that Mr. Mitchell and I were involved but that simply Mr. Liddy was involved and we thought there would be problems that would create a situation where Mr. Stans would probably be—eventually have to terminate Mr. Liddy, and that there were problems with Mr. Sloan as to the amounts of money that Mr. Liddy had received, and we asked for his help in dealing with Mr. Sloan.

Senator TALMADGE. What was Mr. Stans' comment on that?

Mr. MAGRUDER. That he would assist us in these matters and if after Mr. Sloan——

Senator TALMADGE. Assist you in what way now, financially?

Mr. MAGRUDER. Well, Mr. Sloan, as you know, was going on his vacation.

Senator TALMADGE. Yes.

Mr. MAGRUDER. And that when he came back Mr. Stans hoped to talk with him and try to have him work with us as to the amounts of funds that were disbursed to Mr. Liddy. We did not know at that time the amount that is noted on that board—$100,000—be disbursed to Mr. Liddy. As I indicated earlier we thought it was much less than that.

Senator TALMADGE. Do you know of any other officials in the Government then or remaining in the Government who were involved in either the planning, discussion, or the coverup of this affair?

Mr. MAGRUDER. No, I think I mentioned other officials, Senator. Do you want me to go—we have already discussed them. Mr. LaRue——

Senator TALMADGE. If it is already in the testimony I have no desire for you to repeat it. But do you know of any who have not been heretofore named in your statement or in cross-examination?

Mr. MAGRUDER. To the best of my recollection I think we have covered the officials fairly comprehensively.

Senator TALMADGE. Now, you testified that you asked for and discussed payments to your family, salaries, potential Executive clemency in return for your silence in this matter. You were a White House staff assistant to the President. Should this Select Committee and the American people believe that you can count on receiving these rewards from the administration and the administration had the ability and desire to deliver these promises in return for your refusing to implicate its officials by hiding the truth?

Mr. MAGRUDER. Well, Senator, by this time, of course, I was aware that, in effect, we were doing some of that activity already. In other words, by that time we had already supported seven defendants.

Senator TALMADGE. Can you tell us——

Mr. MAGRUDER. Of course, on the Executive clemency issue obviously no one had been given Executive clemency so that is pure speculation on all of our parts so far as I know, because the people who mentioned it to me were not the President of the United States.

Senator TALMADGE. Can you tell us everything that was said to you or in your presence to others about Executive clemency?

Mr. MAGRUDER. Well, specifically, Mr. Dean on one afternoon before the August 16 grand jury came into my office to indicate to me

that everybody knew how well I was doing and that—not to worry, that even if the worst happened everything would be taken care of, including Executive clemency.

I, having been at the White House, took that only as a PR attempt on his part to make sure I felt comfortable about my forthcoming appearance before the grand jury. I was not very comfortable about it obviously, and I think he was simply trying to make me feel comfortable about that appearance.

Senator TALMADGE. Who all mentioned Executive clemency to you?

Mr. MAGRUDER. Mr. Dean and Mr. Mitchell were the only two individuals who mentioned Executive clemency.

Senator TALMADGE. Were they together or separately?

Mr. MAGRUDER. Both, my recollection is, that at one meeting I had with Mr. Dean alone and with Mr. Mitchell just in March of this year.

Senator TALMADGE. I believe you also had a conversation, maybe, with Mr. Haldeman about Executive clemency?

Mr. MAGRUDER. Yes, sir.

Senator TALMADGE. What did he say to you about that?

Mr. MAGRUDER. At that meeting, he was very careful to say that he had no authority over that issue and that he could not speak for the President. He was very careful about that.

Senator TALMADGE. The others were not careful to say that they were not speaking for the President, either Mr. Mitchell or Mr. Dean?

Mr. MAGRUDER. That is correct. I think it was a——

Senator TALMADGE. Implied——

Mr. MAGRUDER [continuing]. Implied use of the President's name without his authorization.

Senator TALMADGE. Were there any conversations among you people during this period of time as to whether or not the President knew about this situation?

Mr. MAGRUDER. I just do not—cannot recall discussions where we discussed that specific subject. I think we all were very careful, as I was with people who worked for me, to not discuss the Watergate in its true implications. As you know, Mr. Odle and Mr. Reisner have already testified that I did not tell them. I told them that everything was OK, purposely, so that they would not become implicated, nor, of course, would it spread to other people in our committee or outside of our committee. So our discussions were very limited in that sense.

Senator TALMADGE. Now, as a former staff assistant to the President, you were very familiar with the White House staff structure, were you not?

Mr. MAGRUDER. Yes, sir.

Senator TALMADGE. The chain of command and decisionmaking processes that were involved.

You have testified that Mr. Mitchell was a principal figure in the planning and coverup of the affair; that Mr. Haldeman, who traveled with the President, consulted with him daily on key issues, as did Mr. Mitchell, was aware of the affair, either through your constant communications with Mr. Strachan or your meetings with him in January 1973. And that his two counsels, Mr. Dean and Mr. Colson, were familiar with it, some of them involved in urging and planning it; that Mr. Kalmbach, the President's personal counsel, provided

the money for these activities. Is it your conclusion as a reasonable man in your position, that the Watergate affair could have been undertaken and completely isolated from the President by his closest aides and friends without his own personal knowledge?

Mr. MAGRUDER. Because I did work at the White House, Senator, and because I am very familiar with the staff system that did exist when Mr. Ehrlichman and Mr. Haldeman were his primary aides, it is very easy for me to see how he would not have been aware. Almost all of the work that was done by the key staff people and by our committee was capsulized and passed on to Mr. Haldeman and I am just positive that many things occurred in the White House that he did not or was not aware of. It was just the way that system worked. So I have no difficulty in believing that personally.

Senator TALMADGE. What you are saying, as I understand it, is that his staff was so completely remote, kept him so isolated, that this could have transpired without his knowledge, approval, and consent. Is that your testimony?

Mr. MAGRUDER. Yes, sir; I can understand that very well.

Senator TALMADGE. Thank you, Mr. Chairman. I have no further questions.

Senator ERVIN. Senator Gurney.

Senator GURNEY. Thank you, Mr. Chairman.

I think almost all the points of your knowledge have been covered, Mr. Magruder, and I am only going to try to bring out perhaps some of those matters that need a little amplification.

Let us begin at the beginning on the January 27 meeting at Mr. Mitchell's office. Who called the meeting?

Mr. MAGRUDER. Well, one of my roles as his chief deputy would be to schedule meetings when there was an appropriate number of subjects to cover. So when Mr. Liddy indicated to me that he was ready to make his presentation—that was a full month and a half, almost, after he had indicated that he had this $1 million project in the works—I scheduled the meeting and let—I think I had my assistant let Mr. Dean know that the meeting would take place and he was to attend.

Senator GURNEY. And the sole subject of the meeting was a discussion of Mr. Liddy's intelligence plan?

Mr. MAGRUDER. As I recall, at the beginning of the meeting, we did discuss the new election law which was about ready to be passed in the Senate and the House the following week, as I recall.

Senator GURNEY. Of course, I understand why Mr. Mitchell was there—he was going to head up the campaign—and you, the deputy director. And Liddy was going to make a presentation. But why Mr. Dean? Why was he present at this meeting and so many others, too?

Mr. MAGRUDER. Well, he had worked for Mr. Mitchell before. He was one of the people at the White House who worked very closely with us. He had brought Mr. Liddy to the committee.

I cannot specifically recall why he was asked to come to that meeting. I would assume, I just assumed that he should be there because it was part of his—I want to be careful, not his responsibility, but part of his area of concern, and we had had other people attend meetings of this kind when they were concerned with a specific subject. And he had brought Mr. Liddy to me and indicated that he should prepare this plan.

Senator GURNEY. Then he was included because he knew about Mr. Liddy's role to be played in the intelligence operation?

Mr. MAGRUDER. Yes, sir.

Senator GURNEY. Of course, there were several rather bizarre activities discussed at that meeting and as I understand it, you did tell Mr. Strachan all about the meeting and what Mr. Liddy proposed, including this business of the kidnaping and the call girls, is that right?

Mr. MAGRUDER. I want to be careful. On the first meeting, Senator I don't recall whether he included these blank sheets of paper with the documentation from the chart. If he had, I would have sent those automatically over to Mr. Strachan. If he did not, and I have a feeling he did not on the first meeting, I would have simply discussed the meeting with Mr. Strachan on the phone and probably would have not gone into the detail that I am talking about. In fact, I forget many of the other things on those charts. There was much more. The plan was much more comprehensive than I have indicated to you. I mean there were just other things. I just can't recall what they were. These were, many of them, he used many of what I called buzz words and things that I did not particularly understand, and I don't think Mr. Mitchell and Mr. Dean understood them.

Senator GURNEY. But what I am saying is as far as the principal points of the plan are concerned, you reported those to Mr. Strachan?

Mr. MAGRUDER. Yes; the general parameters of the plan, yes, sir.

Senator GURNEY. And you have a vivid recollection today about the kidnaping and the call girls?

Mr. MAGRUDER. Yes, sir.

Senator GURNEY. As I think anyone of us would.

Well, now, this is why I am bringing this up again.

Was there ever any reaction from Mr. Strachan after presumably he made his report? No one really knows whether he did or not, but presumably, he reported this to Mr. Haldeman. Did he ever get back to you?

Mr. MAGRUDER. Yes.

Senator GURNEY. Was there any reaction?

Mr. MAGRUDER. My indication from Mr. Strachan was that whatever decision Mr. Mitchell made was acceptable to the White House on this matter.

Senator GURNEY. And that was the message that Mr. Strachan brought back to you?

Mr. MAGRUDER. That was the context of the message, and I don't want to say it was after the first meeting or the second meeting, but that was the context. Because of the sensitivity of this project, I personally felt that we should be sure that they were aware of the seriousness of that project.

Senator GURNEY. Well, now, in this context of the report, who did he mention, if at all, that he was reporting for?

Mr. MAGRUDER. Well, he only reported to Mr. Haldeman, Senator.

Senator GURNEY. And you assumed, of course, that he was reporting for Mr. Haldeman?

Mr. MAGRUDER. In that context, sir; yes.

Senator GURNEY. You mentioned that—and one of the missions of this committee is to look into all of the irregularities in the 1972

Presidential campaign, Republican and Democratic. There is mention in your witness sheets, and you mentioned this morning, too, that one of the reasons why you thought that you ought to find out more about what was going on on the Democrat side was because of this kickback situation at the Democratic Convention, but you never elaborated on it.

Now, where did you learn about this and what did you learn about it?

Mr. MAGRUDER. A newsman called me early in the year and said there was something of interest that we should look into and indicated that along with the Democratic Convention at the Fontainebleau Hotel, there would be a business exposition.

And he said, this business exposition is a setup deal. The Democratic committee officials are going to do business with the exposition people, and requesting that the business take space at this exposition. The business would then take the space and pay—let's take a figure of, say, $10,000—of which $5,000 would go to the business exposition company that was putting on the exposition, and the company would get a booth, but the other $5,000 would be kicked back to the Democratic Party to assist itself in its debts.

I then received from this same newsman detailed brochures by this business exposition company on that subject. We asked Mr. Liddy at first to take a look at the situation and he went down to Miami and, through some manner, was able to record a telephone conversation between an individual who was his informant, in effect, and a member of the Democratic National Committee. That telephone conversation further indicated that, yes; there was this kickback situation.

Because of the phone message and because of this information we had received, we thought it was, could be an appropriate situation to investigate further.

Senator GURNEY. What was the name of the newsman?

Mr. MAGRUDER. It was Kevin Phillips, Senator.

Senator GURNEY. And what was the name of the business exposition company?

Mr. MAGRUDER. Senator, I cannot remember the name. I am afraid that in our haste to eliminate documents after the June 17 break-in, I am afraid that all of that material went with the other material.

It may be the Columbia Exhibition Co., is a name that rings a bell, but I don't have the documents any more, Senator.

Senator GURNEY. You stated that Mr. Liddy learned from a phone conversation some names?

Mr. MAGRUDER. Yes, sir.

Senator GURNEY. What was the phone conversation?

Mr. MAGRUDER. He had hired somebody in Miami who called the Democratic National Committee in Miami and acted as a businessman.

Senator GURNEY. This was not a bugged telephone?

Mr. MAGRUDER. Oh, no; this was a taped phone conversation.

Senator GURNEY. Tell me the names of the people in the phone conversation.

Mr. MAGRUDER. Senator, I don't recall. The individual that Mr. Liddy had I don't know. It was an individual he had hired, who he said was a businessman and had a reputable company. So it was a legitimate front, in other words, for him to call.

Senator GURNEY. Do you know who the Democrat was that he talked to?

Mr. MAGRUDER. It was the individual, Senator, who was in charge of the setup of the Democratic National Convention in Miami and I—he had an office in Washington. I cannot recall his name specifically. But he was a key member of the Democratic National Committee.

Senator GURNEY. If we found that name, do you think you would recognize it?

Mr. MAGRUDER. I think so, Senator. It was a man that I knew of or had heard of.

Senator GURNEY. Let's go to the Key Biscayne meeting. You mentioned in your testimony this morning, besides the plan to enter the Democratic National Committee headquarters, that you were going to do that in the office of Democrat candidates provided there was enough money left over. Were there any specific Democrat candidates' names?

Mr. MAGRUDER. It was only to be at the office of the Presidential candidate, and at first, it was indicated that——

Senator GURNEY. You mean after the nomination?

Mr. MAGRUDER. After the nomination.

Senator GURNEY. I see.

Mr. MAGRUDER. Or at least—I should not say after the nomination. When it was clearly determined who that candidate would be.

Senator GURNEY. Did you ever know that Mr. McCord was going to be involved in this Watergate affair?

Mr. MAGRUDER. No, sir.

Senator GURNEY. Not until it had actually——

Mr. MAGRUDER. Not until after it occurred.

Senator GURNEY. Was that generally true in the headquarters, with the exception, of course, of Mr. Liddy and Mr. Hunt?

Mr. MAGRUDER. I think that is true. Mr. Hunt, as far as I know, never came to our headquarters. The only other person I think has testified that she knew Mr. McCord was working on this was Sally Harmony, who did type the logs. I do not think anyone else knew Mr. McCord was involved.

Senator GURNEY. The meeting that occurred in John Mitchell's apartment following the return from California, who called that meeting? Who asked you to come?

Mr. MAGRUDER. Well, they were coming back from California that evening and because of the events of the previous weekend, I think it was just——

Senator ERVIN. There is a rollcall in the Senate and the committee will have to go and vote.

[Recess.]

Senator ERVIN. Senator Gurney.

Senator GURNEY. Thank you, Mr. Chairman. I think, Mr. Magruder, we were talking about the meeting at Mr. Mitchell's apartment. I am not interested in going into any of it but just find out who called it.

Mr. MAGRUDER. Senator, they were coming back from Los Angeles. My recollection is I was called by Mr. Mitchell's secretary and told to come to the apartment that evening.

Senator GURNEY. In your testimony earlier, you mentioned a meeting between Mr. Mitchell, Mr. Haldeman, Mr. Dean, and yourself. This is the one in April, I believe it was in New York, around about the time you had talked with Mr. Mitchell in New York.

Mr. MAGRUDER. I am sorry, Senator. I met first with Mr. Mitchell and Mr. Haldeman.

Senator GURNEY. Yes.

Mr. MAGRUDER. Mr. Haldeman indicated that since there was a controversy over the two meetings in January and February, that Mr. Dean, Mr. Mitchell, and I should settle those differences together and we met then that afternoon at the White House to discuss our——

Senator GURNEY. That is the meeting I am referring to, and you mentioned also that Mr. Dean apparently would not indicate any position that he was going to take. I am paraphrasing the testimony correctly?

Mr. MAGRUDER. That is correct.

Senator GURNEY. Would you amplify on that? What did he say?

Mr. MAGRUDER. What occurred, of course, I felt rather strongly since the three of us had agreed on the position that I would take which, in effect, caused me to testify at the grand jury incorrectly, that I would have, of course, hoped that they would support the position that we had all agreed on. Mr. Mitchell did agree that he could support that with, I think, minor variations. Mr. Dean indicated that that created problems for him and lobbied us to discuss it at a later date.

At a later date, my recollection is I asked my attorney—by this time I had retained counsel—and my counsel indicated that he had talked with their counsel, with Mr. Dean's counsel, and Mr. Dean's counsel had simply said that "Your client has a problem." Of course, I was fully aware I had a problem, and so, you know, by that time I realized that Mr. Dean's position was going to be different than the one that I had testified to.

Senator GURNEY. Well, could you tell us a little more how he indicated that he was uncertain about his position or what his problem was?

Mr. MAGRUDER. Well, he had been up to Camp David that weekend before, and was writing this report, the report supposedly was going to be written but which I guess was not written, had just come back and said that he just wasn't in a position at that time to make a decision on this matter and had to have further consultation, I think—I do not think he said with whom but just said he was going to discuss this matter further and think about it further. He just had not made up his mind.

Senator GURNEY. What did you think he was——

Mr. MAGRUDER. Let me say at the same time I had the same type of discussion with Mr. Strachan about the meeting we had of the day of the altercation and I said, you know, "are you going to support that series or that meeting we had?" And he indicated to me the same kind of difficulty that he was not sure and did not know. Of course, by this time I was then quite aware that the key participants were starting to change their situations.

Senator GURNEY. Again, referring to Mr. Dean's position and attitude of mind, you mentioned that you had meetings with him from time to time and he started to forget important events and meetings that you had had on Watergate. Would you describe those more fully?

Mr. MAGRUDER. Well, I think that the one occasion that did crop up when I asked for an appointment with Mr. Haldeman, Mr. Dean was in constant touch, we had worked closely together in the White House and, of course, in the committee and we would discuss various aspects of the case and on this occasion and, I think, in retrospect now I think, I think the conversation was taped.

Senator GURNEY. When was this?

Mr. MAGRUDER. This probably was in January, probably in early January or December, it was before that meeting with Haldeman so it must have been in December, it was when he indicated to me that he did not know how the Watergate had ever been planned, something to that effect, and I said, "John, do you not remember?" something to that effect, and I became concerned, of course, over that type of conversation because obviously, that would be at that time that could be an indication that somebody was being set up, in effect.

Senator GURNEY. Were there any other occasions when he gave that indication of faulty memory that you can remember?

Mr. MAGRUDER. Nothing—not a specific reference to the same extent that that one meeting had.

Senator GURNEY. After that Key Biscayne meeting with Mr. Mitchell and Mr. LaRue, you mentioned that the Liddy plan was in typewritten form, as I recall.

Mr. MAGRUDER. Yes, sir.

Senator GURNEY. Are there any copies of that left?

Mr. MAGRUDER. Not that I know of, Senator. I destroyed all of the copies that I had.

Senator GURNEY. You mentioned also, of course, these reports that you made from time to time to Mr. Strachan. I suppose you reported to him on the occasion of the first entry of the Democratic National Committee headquarters.

Mr. MAGRUDER. Yes, sir.

Senator GURNEY. Do you recall any reaction back from him after he made his report to, I suppose, Mr. Haldeman?

Mr. MAGRUDER. No; because I think at that time we were simply waiting for the result of that entry.

Senator GURNEY. He was present, as I recall, when you got your report on the McGovern business?

Mr. MAGRUDER. Yes, sir.

Senator GURNEY. Did he ever come back to you with any reaction from who he reported to on that affair?

Mr. MAGRUDER. I cannot say that he came back with reaction from someone he reported to. He did come back with a reaction that Mr. Liddy was not to be involving himself in these activities. He was supposed to be the planner, not the executor of these activities.

Senator GURNEY. I think we have another vote so I am going to close up very quickly here. I had some other questions I wanted to ask you but let me ask you this closing question or two closing questions. Our testimony has indicated that the man who made the coverup payments was somebody called Tony. Do you know Tony?

Mr. MAGRUDER. No, sir.

Senator GURNEY. One final question, you were in the White House how long?

Mr. MAGRUDER. From October 1969 until May 1971.

Senator GURNEY. And, of course, you knew about as well as anybody what the staff setup in the White House was.

Mr. MAGRUDER. Yes, sir.

Senator GURNEY. Is it fair to say that you were on a staff level about the same level as Mr. Dean?

Mr. MAGRUDER. Yes, sir. We were, I was a special assistant to the President and we were what I would call second-level appointees in the White House under the five or seven assistants to the President.

Senator GURNEY. Did you see the President on many occasions during your term in the White House?

Mr. MAGRUDER. Not on many occasions. I saw him periodically mainly in meetings with other people.

Senator GURNEY. Did you ever see him alone?

Mr. MAGRUDER. No, sir.

Senator GURNEY. You always saw him when somebody else was present?

Mr. MAGRUDER. Yes, sir.

Senator GURNEY. Was that his normal way of carrying on business in the White House?

Mr. MAGRUDER. Absolutely.

Senator GURNEY. Were you rather surprised to hear the report the other day that Mr. Dean had seen him, I think on 30 or 35 occasions very recently?

Mr. MAGRUDER. Yes; I was. That would not have been in the normal pattern of events.

Senator GURNEY. Thank you. And thank you, Mr. Chairman.

Senator BAKER. The committee will recess long enough to make this rollcall and return for the completion of the testimony of this witness.

[Recess.]

Senator ERVIN. Senator Montoya.

Mr. BIERBOWER. Senator, if you will excuse me for a moment, we have a name for Senator Gurney that he had asked, if you care to hear it.

Mr. MAGRUDER. Senator Gurney asked me the name of the convention official——

Mr. THOMPSON. I will take it in his behalf.

Mr. MAGRUDER [continuing]. We had discussed that we had a phone conversation with him. It was Mr. Richard Murphy. Someone reminded me of the name. He was a convention manager.

Senator ERVIN. You may proceed. I understand that Senator Gurney had finished.

Senator MONTOYA. He indicated to me he had finished, Mr. Chairman.

Mr. Magruder, I believe this morning you stated that the first meeting with Mr. Mitchell occurred at the Department of Justice with respect to Watergate and at that meeting were present yourself, Mr. Mitchell, Mr. Dean, and Mr. Liddy, and that it was at this meeting that the charts, the big charts, were displayed. Is that correct?

Mr. MAGRUDER. Yes, sir.

Senator MONTOYA. And that the plan evolved before your eyes and before your ears on this particular meeting with a budget request from Mr. Liddy for $1 million.

Mr. MAGRUDER. Yes, sir.

Senator MONTOYA. And that all three of you expressed shock or were appalled by either the sum or the approach to intelligence as Mr. Liddy had proposed.

Mr. MAGRUDER. Yes; that is correct, Senator.

Senator MONTOYA. Then, Mr. Mitchell indicated to you from this meeting and indicated to Mr. Liddy that he had better go back and bring about a more conservative plan.

Now, did Mr. Mitchell at that time indicate that he was most desirous of trying to get some of the plan executed in the very near future?

Mr. MAGRUDER. No, sir; I would not characterize his comments to that regard. He just indicated that you can come back and show me at a more conservative level. He did not indicate a positive or a negative desire. He did indicate, I think, distaste for the plan that was presented.

Senator MONTOYA. And that was the first time, as I understand your testimony, that you had any inkling with respect to anything of that sort or nature occurring in the campaign or being planned for the campaign; is that correct?

Mr. MAGRUDER. Yes, Senator. I think to be absolutely accurate, I had expected something along the lines of what I would consider more normal intelligence gathering which would be receiving information from candidates' headquarters through employees and that type of information.

Senator MONTOYA. But you never conceived that this kind of a plan could come forth?

Mr. MAGRUDER. No, sir.

Senator MONTOYA. Now, Mr. Dean, I believe, indicated to you in December that Mr. Liddy had certain qualifications to gather intelligence and asked you to hire him. Is that correct?

Mr. MAGRUDER. No, Senator, he did not ask me to hire him. He was brought over—he had already been, in effect, hired by Mr. Mitchell, with Mr.—well, with Mr. Mitchell's approval. I was just going to be his direct superior.

Senator MONTOYA. Now, who told you that Mr. Mitchell had hired him?

Mr. MAGRUDER. Mr. Dean.

Senator MONTOYA. Did you speak to Mr. Mitchell about it?

Mr. MAGRUDER. My recollection is, I think I called his office and just checked with his secretary and said that my understanding is that Mr. Liddy is to be our general counsel, and she confirmed that that was correct.

Senator MONTOYA. But he was not your general counsel in the beginning, was he?

Mr. MAGRUDER. Yes, sir, he was our general counsel in the beginning.

Senator MONTOYA. Now, did Mr. Mitchell indicate to you that he would be gathering some intelligence for the Committee To Re-Elect the President?

Mr. MAGRUDER. I think probably at some point there in December, we did generally discuss that he would be assuming some of those responsibilities, but it was a very indefinite type of situation at that time.

Senator MONTOYA. Now, let us go into the other operations. I think we have mentioned the Watergate operation, we have mentioned the McGovern headquarters and the other instance of a break-in into the Democratic National Committee in May. Are you aware of any other operations that were undertaken by Mr. Liddy or under his auspices or direction?

Mr. MAGRUDER. He did other things, Senator, for us. Most of them were minor intelligence-gathering work. He worked on a number of demonstrations.

Senator MONTOYA. Were there any break-ins involved?

Mr. MAGRUDER. No, sir, not to my knowledge.

Senator MONTOYA. What kind of operations? Would you characterize them?

Mr. MAGRUDER. Well, there were times that we were requested to provide demonstrators, for example, for various events. These requests would usually come to me and I would simply refer them to Mr. Liddy, because it was not of any particular interest in my case and I did not care to deal with these matters, so I just referred them to Mr. Liddy and he normally worked with the individual who had requested that assistance.

Senator MONTOYA. Were you in complete agreement after you saw the plans at Mr. Mitchell's office, were you in complete agreement with the project?

Mr. MAGRUDER. Now, Senator, do you mean the first plan?

Senator MONTOYA. The project as it finally evolved after the subsequent meetings?

Mr. MAGRUDER. After the third plan?

Senator MONTOYA. Yes.

Mr. MAGRUDER. I think I would have to say that I agreed with the concept, yes, sir.

Senator MONTOYA. And at what point did you inform Mr. Strachan?

Mr. MAGRUDER. I informed Mr. Strachan early the next week, I think. I might have called him that weekend, but I doubt it. I think I talked to him the next week.

Senator MONTOYA. Was not your testimony this morning that before anything like this was taken up, that you would give advance notice and written memorandums?

Mr. MAGRUDER. Yes, sir.

Senator MONTOYA. Or a written memorandum to Mr. Strachan?

Mr. MAGRUDER. He had received the proposed or the blank sheets of paper with the budget on it before I went to Key Biscayne, but he did not know what the decision was.

Senator MONTOYA. Well, had he received——

Mr. MAGRUDER. The procedure was for him to receive the copies of the memorandums I would be discussing with Mr. Mitchell and when Mr. Mitchell made the decision, I would call him and say, here are the decisions on those memorandums. Now, this gave him an opportunity in the intervening time, if he wanted to have some comment or Mr. Haldeman had some comments to some of the proposals, he could get to Mr. Mitchell directly and comment before Mr. Mitchell had made a decision.

Senator MONTOYA. Well, did you assume at any time in your meetings with Mr. Mitchell that in view of the fact that you had supplied Mr. Strachan with these memorandums that somebody in the White House had approved?

Mr. MAGRUDER. Again I think it is, to be perfectly clear, Mr. Mitchell had the final authority on all budgetary activities and all political activities at the campaign committee. Mr. Haldeman worked with him on a basis that if there were things that he may have disagreed

with, he would discuss them directly with Mr. Mitchell. So when the copies went to Mr. Strachan, they were for Mr. Haldeman's benefit and he could then comment to Mr. Mitchell or myself if he felt it were appropriate or if he disagreed with an approach that was being taken. But Mr. Mitchell, I think in fairness to everyone, the only authority for any budgetary request, any political activities, and I think there are many documents that I know the grand jury has that indicate the approval down to as low as $500, had to go to Mr. Mitchell.

Senator MONTOYA. Then is it your testimony that if Mr. Haldeman had not approved of this plan, that he would have communicated the disagreement to Mr. Mitchell before the final approval?

Mr. MAGRUDER. He could have. If he did not agree with it and knew about it, he could have commented to Mr. Mitchell before or after. It would not necessarily be a pattern; that he commented to Mr. Mitchell on different occasions.

Senator MONTOYA. Well, was it not your understanding that any time you gave Mr. Strachan any memorandums, that that was destined to Mr. Haldeman?

Mr. MAGRUDER. Senator, the memo was not necessarily destined. The question raised in the memo would be translated normally if Mr. Strachan thought it was important. He had the discretion.

Senator MONTOYA. Well, can we assume as reasonable men that Mr. Haldeman knew in advance prior to the Mitchell approval of these particular plans?

Mr. MAGRUDER. Senator, I think I have answered that as best I can. I assumed that, but that is unfair to Mr. Haldeman to say that he knew about it, because I do not know that. I did pass it to Mr. Strachan and if Mr. Strachan did bring it up with Mr. Haldeman, then he would have had time to comment to Mr. Mitchell on it. That is correct. But I think it is unfair for me to make a statement that I have no direct knowledge of.

Senator MONTOYA. Well, he had advance knowledge of these plans from before January 27, when the first meeting occurred——

Mr. MAGRUDER. That is right.

Senator MONTOYA [continuing]. Up until March 30, when the meeting in Key Biscayne occurred and the final plan was approved. He had all this time, did he not?

Mr. MAGRUDER. Mr. Strachan did, Senator.

Senator MONTOYA. Would you not assume that Mr. Haldeman had similar advance notice of this particular plan?

Mr. MAGRUDER. Senator, I think that I have got to be absolutely clear here that I have answered this, I think for all of the Senators who have asked this question and I understand your reasoning. I cannot specifically comment to the direct approval of these plans or even knowledge of these plans for Mr. Haldeman. I do not know that he knew of these plans beforehand. I only know that I discussed them and sent a copy, as I have stated, to Mr. Strachan.

Senator MONTOYA. When you started the practice of sending copies through Mr. Strachan it was your understanding that these copies were destined to Mr. Haldeman?

Mr. MAGRUDER. It was my understanding that Mr. Strachan would pass on to Mr. Haldeman what he, Mr. Strachan, deemed important for Mr. Haldeman's decision or concern.

Senator MONTOYA. Now, Mr. Magruder, would you say that you were acquainted with most of these projects that, especially those on which you kept a little file known as Gemstone?

Mr. MAGRUDER. Senator, when you say acquainted——

Senator MONTOYA. Acquainted or aware of the projects.

Mr. MAGRUDER. Well, specifically the Watergate break-in, yes; I was specifically aware of that project.

Senator MONTOYA. Did you have anything in your files with respect to Ruby 1?

Mr. MAGRUDER. My recollection of, I think, Ruby 1 and Ruby 2 and Crystal were code names, I think that Mr. Liddy used for the various bugs. I am not sure if that is correct. I think that is what it was.

Senator MONTOYA. Can you elaborate or amplify on their significance?

Mr. MAGRUDER. I did not pay any attention to the names at all. It did not interest me.

Senator MONTOYA. Did you have anything——

Mr. MAGRUDER. But I remember the names.

Senator MONTOYA. Did you have anything in your files with respect to these names?

Mr. MAGRUDER. Well, when the documents came in those names were in the documents, and I just cannot recall in what context they were in the documents. My recollection was that I thought that they were the positioning that would identify where that bug was, that is what I thought. I would not, I could not verify that. I think that is my recollection of what Ruby 1, Ruby 2, and Crystal meant.

Senator MONTOYA. Do you mean to tell me you did not read the documents that went into the Gemstone file?

Mr. MAGRUDER. I did not say that, sir. I said I read the documents but the jargon, the jargon that Mr. Liddy used was not of any interest. Actually, Senator, I only read the documents once, found them to be useless and did not read them again.

Senator MONTOYA. What about Sedan Chair No. 2?

Mr. MAGRUDER. Sedan Chair 2, to my recollection, was an individual who was in the Humphrey campaign, who had been set up before Mr. Liddy came on board, although that could be incorrect, it may have been after, and was simply a, as I understood it, I think a disgruntled employee who was passing information to us. I just do not know who Sedan Chair 2 was. He wrote one extensive report that I think Mr. Porter alluded to Humphery's campaign in Philadelphia.

Senator MONTOYA. Now, you indicated also in testimony heretofore given that you always assumed that when Mr. Dean acted that he had authority either from Mr. Haldeman or Mr. Ehrlichman, did you not?

Mr. MAGRUDER. I think, Senator, I said that his normal reporting relationship was either between Mr. Haldeman and Mr. Ehrlichman. I do not know specifically in every case whether he was acting in their behalf.

Senator MONTOYA. But you were under the belief that because he was employed at the White House under these two gentlemen that he was acting for and in their behalf. Is that what you indicated before?

Mr. MAGRUDER. Senator, in a general context; yes, sir.

Senator MONTOYA. What particular part did Mr. Dean have in forging the plan for the coverup?

Now, give me the different stages of the plan, give me the variations from the initial plan, and how it evolved finally.

Mr. MAGRUDER. Well, I think for the coverup story now, there are two parts to the coverup, one is taking care of the defendants. My knowledge of that is very limited, it is only that I, in asking were they going to be taken care of, Mr. Dean and Mr. Mitchell indicated they were, Mr. LaRue has indicated he had involvement in that area, so I don't, I can't, speak too specifically about the money.

Now, as far as the coverup story is concerned, I developed a coverup story myself.

Senator MONTOYA. All right.

When was this developed and who was present in the initial meeting?

Mr. MAGRUDER. Well, we started to meet and realized that we had to come up with the reason why we could have spent $250,000 for legal activities for Mr. Liddy, so I, in effect, had the responsibility since he had worked for me to try to figure out how we could develop a study that would sound legitimate that would cover this $250,000.

Senator MONTOYA. Mr. Magruder, if you will pardon me, let us digress from that and let us go back to what exactly was done by you or others under the Committee To Re-Elect the President with respect to getting these defendants together culminating in their pleading guilty or being tried. Was anything positive done with respect to these defendants?

Mr. MAGRUDER. Senator, on the defendants, I am unaware of the specific activities that were engaged in by other individuals. All I was aware of was that they were being taken care of and that Mr. Dean, Mr. Mitchell, Mr. LaRue were aware of that. After the break-in it is important, I think, to know I was asked and told to go back and run the committee and not worry about the Watergate case other than how I could assist specifically in the coverup.

So, I did not involve myself in any of the details of making sure that the defendants were kept in line, so I don't know the details.

Senator MONTOYA. If you have no personal connection with that kind of involvement, do you have any knowledge as to who was the engineer for getting these defendants to go along and keeping them together?

Mr. MAGRUDER. Senator, to the best of my knowledge, there was Mr. Dean's and Mr.—I think it is inappropriate for me to say whose it was specifically. I know that Mr. Dean, Mr. Mitchell, Mr. LaRue specifically were working on this problem, each of them having different roles. I don't think Mr. Mitchell played any operational role. I know Mr. LaRue did handle funds, and I don't know specifically how much Mr. Dean directly involved himself with the defendants and their lawyers.

I simply do not know the details of that.

Senator MONTOYA. Did you approve the disbursements of any funds to Mr. LaRue or anyone else for use by these defendants?

Mr. MAGRUDER. No; I had no knowledge of the funds until the newspaper accounts. Mr. LaRue did ask me on one occasion, and probably in January, if I know somebody who could make a drop for him, and I suggested Mr. Porter as a potential person to do that and the next day he said, "No, never mind, we don't need anybody to make the drop."

Senator MONTOYA. Who was offering the defendants Executive clemency?

Mr. MAGRUDER. I do not know, sir, Senator.

Senator MONTOYA. Well, did any information come to you about that time as to whether or not Executive clemency had been promised to any of these defendants?

Mr. MAGRUDER. Well, as I have indicated before in my—before I testified before the grand jury the second time I was particularly concerned about my own situation since I was the target for the grand jury and so I asked the individuals, Mr. Dean and Mr. Mitchell specifically, would I be protected and, secondly, are the defendants being protected and they indicated to me that they were. The words "Executive clemency" were used but I can say honestly that the words "Executive clemency" were bandied about quite freely at that time.

Senator MONTOYA. When was the first time that you talked to Mr. Haldeman about the Watergate?

Mr. MAGRUDER. It was the Sunday after the break-in.

Senator MONTOYA. How many other times did you talk to him about this from then until January?

Mr. MAGRUDER. I didn't—oh, well, I might have, I think we had a number of meetings during the campaign when we discussed how we would handle the Watergate as a public relations issue. Mr. MacGregor who was then our campaign director was having a very difficult time at his press conferences and so on with this issue and I can remember a number of conversations that I had with Mr. Haldeman.

Senator MONTOYA. Did you have these conversations at the White House?

Mr. MAGRUDER. I had some of them at the White House; yes, sir.

Senator MONTOYA. Were any other persons present during these conversations?

Mr. MAGRUDER. Individuals like Mr. Dwight Chapin, Mr. Richard Moore, other people who worked in what I would call the general public relations area but we were talking only about how these should be handled from our committee, and there was some—and with Mr. Ziegler and Mr. Warren as to how to handle press inquiries. At this time many of the newspapers were very active in pressing this issue and we were trying to respond to the problem.

Senator MONTOYA. Well, if you were talking about the Watergate in this context and with that objective in mind, it necessarily follows that you had to lay all the sordid details on top of the table so that you could reach a consensus of approach. Wouldn't that be right?

Mr. MAGRUDER. No, sir; in fact I think I listened to Clark MacGregor as an example and Clark yesterday said that he evidently was told a story and that is absolutely correct.

We told Mr. MacGregor there was no involvement by any individual other than Mr. Liddy. We told that story to every individual who was not connected directly with either the break-in or the coverup, and Mr. MacGregor believed it, I think, fully. I think other people at the White House believed it fully, the prosecutors believed it fully.

Senator MONTOYA. How can they believe that Mr. Liddy would be the only one involved when they had also sent to you Mr. Hunt to work under Mr. Liddy?

Mr. MAGRUDER. Now, you have to remember that the only person that I know of who sent Mr. Hunt to work for Mr. Liddy was Mr. Howard who worked for Mr. Colson so that someone like Clark MacGregor would have no knowledge of Mr. Hunt, either. I think Mr. MacGregor, as an example, was completely in the dark throughout the entire campaign and probably today is glad that he was. [Laughter.]

Senator MONTOYA. Now, how many times would you say you talked to him? You haven't answered that question.

Mr. MAGRUDER. I am sorry, talked to——

Senator MONTOYA. To Mr. Haldeman about the Watergate.

Mr. MAGRUDER. I talked to him the day after the break-in on Sunday, I talked to him in January—now, about the true facts about the Watergate only in January. We talked during the campaign a number of times, not very often about the public relations aspects but not about how it happened, of how we were going to counteract the press activity that was occurring during the campaign, quite a different story, and you did not have to be involved in the break-in to try to handle it.

Senator MONTOYA. You mean you could handle it, publicitywise, if you didn't know the details?

Mr. MAGRUDER. Yes, sir, I know many people did handle it who did not know the details.

Senator MONTOYA. Then you had an April meeting from which you emerged and went down to the CRP and told, I think, Mr. Porter that the secrecy was out and now you could divulge everything?

Mr. MAGRUDER. That is correct.

Senator MONTOYA. You told Mr. Porter that, didn't you?

Mr. MAGRUDER. Yes, sir.

Senator MONTOYA. Now, who participated at this White House meeting in April when this decision was made or communicated to you?

Mr. MAGRUDER. Let me move back.

On the Wednesday before, I think it was a Wednesday, I called Mr. Haldeman's office, I think this conversation is taped and I talked to Mr. Higbe who was his assistant and I said, "Larry, I have, as you know, specific problems and it is very difficult for me to continue my position on this matter. Could you ask Bob if there are any instructions that I should have that would be beneficial to me?"

I was basically asking for guidance from Mr. Haldeman. Mr. Higby came back to me and said, "Yes, Bob can't talk to you but he wants you to know that the President wants you to tell the truth," and "or he wants you to tell the truth," I am not sure whether it was the President or he, "and that you should take the advice of your lawyers."

Then, on Thursday and Friday my lawyers dealt with the U.S. attorney's office. On Saturday I met with the U.S. attorneys in the morning and through the afternoon. Mr. Ehrlichman called my attorney's office and asked me if I would come to his office. The U.S. attorneys and my attorneys agreed that that would be appropriate as a courtesy. We went, my two attorneys and myself went to Mr. Ehrlichman's office and, in effect, gave him a capsule version of what I have discussed today. My understanding is that he taped that conversation also.

Senator MONTOYA. Now, who called you at the U.S. attorney's office, Mr. Haldeman or Mr. Ehrlichman?

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Mr. MAGRUDER. No, it was Mr. Higby, who was Mr. Ehrlichman's assistant, called, as I recall, for Mr. Ehrlichman. I correct that. It might have been Mr. Hall, who was Mr. Ehrlichman's assistant. It might have been one of their assistants, asking that I talk to Mr. Ehrlichman.

Senator MONTOYA. Did you talk to Mr. Ehrlichman then?

Mr. MAGRUDER. Yes, sir.

Senator MONTOYA. From the U.S. attorney's office or did you go from there to the White House?

Mr. MAGRUDER. We were in my attorney's office with the U.S. attorney. We went from there to the White House and met in Mr. Ehrlichman's office, my two attorneys and myself.

Senator MONTOYA. What was that meeting about?

Mr. MAGRUDER. We told them what we had told the U.S. attorney basically, and Mr. Ehrlichman said, "The President wants you to tell the truth as you have already done and wishes you well," something of that kind.

Senator MONTOYA. Now, Mr. Magruder, Mr. Porter testified before this committee and also gave a statement that you had told him that you had committed perjury 12 times. Is that true?

Mr. MAGRUDER. I think the 12 was a figure of speech. I have learned since—I have become fairly expert in matters of this kind—that perjury is committed each time you tell a story, not the same story. In other words, you can tell the same story 10 times; that is 10 counts of perjury. I think I told an incorrect story quite a number of times, so consequently, I indicated to him that I had committed perjury 12 times, not meaning 12 specifically, but meaning quite a few times.

Senator MONTOYA. Quite a few times about the same thing? Is that what you mean?

Mr. MAGRUDER. Yes, sir. In other words, you know, once in front of the grand jury, then again in front of the same grand jury, and so on.

Senator MONTOYA. Now, going back to the coverup sequences, there were quite a few variations and quite a few changes made in the coverup, were there not, as the exigencies would arise?

Mr. MAGRUDER. Well, we had to move very quickly before the FBI got to Mr. Porter and myself on the basic framework. Once the FBI got to us, we had to pretty well stay with that general story. We made some changes, but basically, the coverup story we used was developed before our interviews with the FBI.

Senator MONTOYA. Well, you used a coverup story before the grand jury and during the trial, is that correct?

Mr. MAGRUDER. Yes, sir; that is correct.

Senator MONTOYA. Was the matter of executive privilege discussed as part of this coverup during your meetings with Mr. Mitchell, Mr. Haldeman, Mr. Dean, or Mr. Ehrlichman?

Mr. MAGRUDER. No, I never—no one brought that subject up to me. I had indicated that I would not ever invoke executive privilege, because as I understand it, I certainly was not qualified.

Senator MONTOYA. No, but did they discuss it as a shelter for themselves?

Mr. MAGRUDER. Not with me, sir, no.

Senator MONTOYA. Now, Mr.——

Mr. MAGRUDER. Excuse me, Senator. Mr. Dean may have mentioned a couple of times that that might be an approach he might take, yes, but that would be the only one that I can remember.

Senator MONTOYA. Now, what specific part did Mr. Dean have in the coverup?

Mr. MAGRUDER. Well, Senator, he was one of the people that dealt with this situation and dealt with me directly and dealt with Mr. Mitchell, dealt with Mr. LaRue, as to all of the coverup. The story was obviously only one and probably the easiest part of the coverup, taking care of, handling of the defendants was what was most difficult. My understanding from him and from others was that he was involved in all aspects of this coverup. And as I gathered—as you gathered from the newspapers—there were other activities that I was not aware of involving the FBI and the CIA and so on, that Mr. Dean was involved in. I was not aware of any of those activities.

Senator MONTOYA. When did you quit working for the CRP or the Inaugural Committee?

Mr. MAGRUDER. I left the Committee To Re-Elect after the election and became executive director of the Inaugural Committee immediately after.

Senator MONTOYA. When did you terminate your employment there?

Mr. MAGRUDER. Approximately the end of—the middle of February, I think, Senator.

Senator MONTOYA. And did the CRP or the Inaugural Committee continue to pay you after you left?

Mr. MAGRUDER. No, sir.

Senator MONTOYA. You mean you have been on your own since?

Mr. MAGRUDER. No, I worked at the Commerce Department for approximately 2 months and since that time, I have been on my own as a private consultant, although I did, have done some small amount of work for the Inaugural Committee which I was reimbursed for.

Senator MONTOYA. How did Mrs. Hunt come into this picture?

Mr. MAGRUDER. Senator, I do not know Mrs. Hunt and I have no idea how she came into the picture.

Senator MONTOYA. Well, Mr. Magruder, I believe that you have told a very complete story. I believe you have been most frank. I believe you have comported yourself in an admirable fashion before this committee. I want to say to you that the tragedy of Watergate is that it has affected many fine young men who dedicated themselves to a President and it has affected their families more. Now, I ask you this final question: Does it not amaze you that after all this allegiance and blind devotion to duty, now you have been relegated to solace and to stew in your own juice?

Mr. MAGRUDER. Well, Senator, let me just say I have had to take the attitude and I have taken the attitude that this is certainly a very unfortunate period of my life. I am not going to let it destroy me. I have a wonderful wife and four children.

Senator MONTOYA. I understand that you do, Mr. Magruder.

Mr. MAGRUDER. And I am not going to lay down and die because of it. I think I will rehabilitate myself, I guess is the best word. I think I am in that process and I hope to be able to live a useful life. I would not recommend this as a method of re-emergence, but in this case, I think I can and I will.

Senator MONTOYA. I want to wish you well in your future endeavors.

Mr. MAGRUDER. Thank you, Senator.

Senator MONTOYA. Thank you.

Senator ERVIN. I was very much impressed with your testimony about the climate that prevailed in the White House and afterwards in the Committee To Re-Elect the President. As a matter of fact, was there not a fear there of Americans that dissented from policies of Government?

Mr. MAGRUDER. I think, Senator, it would be fair to say that all of us, and I really should only speak for myself. For myself, I did work at the White House during the time when there were many demonstrations against the President. We knew—I knew—of his work to try to solve this problem and I knew, at least, I felt he was doing it in the most effective manner possible. Yet, at the same time, we—I knew that because of the activities of the antiwar movement particularly, that much of the work was being delayed and stalled because of this. It did create in my mind, anyway, a frustration and a feeling of impotence in being able to deal with the subject. Consequently, I think we became, or I became—and I should only speak for myself—to some extent more callous about these activities, particularly since there were people that I knew in the movement, many friends in the movement, who were doing what I would call illegal activities similar to the type that were being done, in a sense, in the Watergate and seemed to be doing it with the approval of a great deal, a great majority—not a great majority of the American public, but certainly with some approval.

Senator ERVIN. But was there not a complement of fear in the White House with respect to the crime problem as well as the demonstration problem?

Mr. MAGRUDER. Yes, sir; I think the whole atmosphere relating to these events was particularly difficult for many people who worked in the White House and were in day-to-day contact with these problems.

Senator ERVIN. Now, Mr. Coffin just came down and demonstrated, did he not?

Mr. MAGRUDER. I am sorry, Senator, Mr.——

Senator ERVIN. You spoke about your former professor——

Mr. MAGRUDER. The Reverend Coffin. Yes.

Senator ERVIN. He just came down and demonstrated. There were a great many demonstrations, weren't there?

Mr. MAGRUDER. He did quite a bit more than demonstrate.

Senator ERVIN. He was supposed to try to frustrate the draft.

Mr. MAGRUDER. He did, and he participated in many activities that were considered illegal.

Senator ERVIN. You were disturbed at the demonstrations, weren't you, the people at the White House?

Mr. MAGRUDER. Yes, sir; we were.

Senator ERVIN. The reason I asked the question, I have had to spend my time fighting such laws and legislative proposals as no-knock laws, preventive detention laws, and the claim that there was an inherent right of the President to bug anybody suspected of domestic subversion, and things of that kind. And I just could not understand why people got so fearful.

Now, it has come out lately that even in 1970, when you were in the White House, didn't Mr. Tom Charles Huston come up with a plan

which was based on the fear of dissenting groups, even to a plan that would involve burglarizing and electronic surveillance and the examination of people's mail because of this fear?

Mr. MAGRUDER. Senator, I have read what you have read in the papers and I was not aware of that plan, but that, I assume, is correct.

Senator ERVIN. Well, you do know that there was a complement in which many people in the White House and later many of the people in the Committee To Re-Elect the President were absolutely afraid of things. Isn't that so?

Mr. MAGRUDER. Yes, Senator, I would say so.

Senator ERVIN. Even of the Democratic national headquarters.

Mr. MAGRUDER. I would characterize that at least my reaction was stronger after 3 years of working in that atmosphere than it had been before.

Senator ERVIN. I am familiar with that kind of atmosphere. I came up here during Joe McCarthy days when Joe McCarthy saw a Communist hiding under every rose bush and I have been here fighting the no-knock laws and preventive detention laws and indiscriminate bugging by people who've found subversives hiding under every bed. In this Nation, we have had a very unfortunate fear. And this fear went to the extent of deploring the exercise of personal rights for those who wanted to assemble and petition the Government for redress of grievances. Some of it happened before you got into the White House and I am not blaming you. Because even under a Democratic administration, I had an investigation here where they became so afraid of people that they used military intelligence to spy on civilians whose only offense was that they were dissatisfied with the policies of the Government and assembled and petitioned for relief.

Now, I think that all grew out of this complement of fear, did it not, the whole Watergate incident?

Mr. MAGRUDER. I think from my own personal standpoint, I did lose some respect for the legal process simply because I did not see it working as I had hoped it would when I came here. But that, I would like to make sure you understand, Senator, is my own feeling and I do not want to attribute that motive to other individuals.

Senator ERVIN. Well, I have been able to sense it here a long time. I am glad you brought it up.

Now, to summarize this thing very briefly, on January 27 and February 4, 1972, John Mitchell was the highest legal officer in the United States, was he not?

Mr. MAGRUDER. That is correct.

Senator ERVIN. And on those 2 days, he held meetings in his office with you, John W. Dean III, and Gordon Liddy, in which he planned some spying operations which involved, among other things, the spying on the Democratic national headquarters.

Mr. MAGRUDER. That is correct, Senator.

Senator ERVIN. Then after those two meetings, there was a third meeting held in Key Biscayne in Florida, where you went down to talk to Mitchell about this matter with LaRue and you and LaRue and Mitchell participated in a meeting there where the plan was formalized and where they finally agreed to spend $250,000 to enable Liddy to carry out the plan?

Mr. MAGRUDER. Yes, Mr. Mitchell approved the plan.

Senator ERVIN. As a matter of fact, Mr. Mitchell had charge of the political branch of the Committee To Re-Elect the President, did he not?

Mr. MAGRUDER. Yes, I had worked for Mr. Mitchell from the beginning. He and I were very close personally and he was in charge and responsible for all of the authorizations and——

Senator ERVIN. Now, to summarize it, as a result of these matters, these discussions and the determination to bug and surreptitiously enter the Democratic national headquarters, Liddy was employed and Liddy employed Hunt, and Hunt or Liddy or both of them employed McCord and Barker and Martinez and Gonzales and Sturgis.

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And five of these men that were caught in the Watergate, entered the Watergate as a result and pursued to carry out this plan which you and Mitchell and Dean and LaRue had approved.

Mr. MAGRUDER. Yes, sir, although I think that we should say that it was, the approval only was in one individual. Mr. LaRue had no authority nor did I nor Mr. Dean.

Senator ERVIN. Well, he was in the meeting where the plan was discussed and the decision to bug the Watergate and to surreptitiously enter the Watergate were made?

Mr. MAGRUDER. That is correct, Senator.

Senator ERVIN. So these people were arrested in the Watergate carrying out the plan, weren't they?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. Then after that was done, some of those who were interested in the election of the President, some of those who had been associated in the White House, and some of them in the Committee To Re-Elect the President, became fearful that if the truth was revealed to the American people, it might have a bad effect on the chances of the President to be reelected?

Mr. MAGRUDER. That was my feeling, Senator.

Senator ERVIN. Yes. And it resulted that in order to avoid that happening, then they agreed upon a coverup; did they not?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And the coverup had two aspects. One was based on the realization that Liddy, who had been arrested, Hunt, who had been arrested, McCord, who had been arrested, Barker, who had been arrested, Gonzales, Sturgis, and Martinez, who had been arrested, might spill the beans, so the expression is, unless they were taken care of.

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. So those who were interested in the election of the President, used funds that were raised for his reelection in part and other funds that were raised for that purpose, to provide them attorney fees and provide them compensation and to take care of their families; did they not?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And the object of that was to keep these people from revealing the truth about the Watergate, was it not?

Mr. MAGRUDER. That is correct; yes, sir.

Senator ERVIN. Yes.

Then for fear that the trail might be pursued by the prosecuting attorney and the Committee To Re-Elect the President, they devised a coverup story to the effect all of this money had been given to Liddy for him to engage in legitimate intelligence operations?

Mr. MAGRUDER. Yes, sir; that is correct.

Senator ERVIN. That matter was discussed by you, with Mitchell, Dean, LaRue, Strachan, Mardian, and all of those; was it not?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And they all acquiesced in it and encouraged it?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And after they had agreed on the story for the coverup, they told it to Parkinson and O'Brien, attorneys for the committee?

Mr. MAGRUDER. Senator, I would like to clarify that. I only spoke to Mr. Parkinson about the true story. I did not discuss it with Mr. O'Brien.

Senator ERVIN. I may have misunderstood you.

Mr. MAGRUDER. Mr. Parkinson, I think, in fairness to Mr. Parkinson, had different stories from other people so that he may not have been aware of what was occurring.

Senator ERVIN. I may have misunderstood the testimony but I undestood you to say first that you talked to Mr. Parkinson and that at that time you told the true story.

Mr. MAGRUDER. That is correct. Mr. Mardian asked me to tell the truth to Mr. Parkinson, I told him the truth.

Senator ERVIN. You told him about who was implicated in it?

Mr. MAGRUDER. That is correct, sir.

Senator ERVIN. And then, I understood you to say that later you had another conversation with Mr. Parkinson and Mr. O'Brien?

Mr. MAGRUDER. That was after the coverup story had been developed and as far as I know, Mr. O'Brien thought that was the legitimate story and to be fair to Mr. Parkinson, I think he was told by others that Magruder's true story was not true, that the coverup story was the true story and that was the story to be used.

Senator ERVIN. I want to be just to everybody. The story you are telling me, in effect, is that Mitchell, Dean, LaRue, Strachan, and Mardian and yourself, were the only ones who participated in the coverup story or acquiesced in it?

Mr. MAGRUDER. I think that would be the list that I had direct dealings with myself.

Senator ERVIN. And Parkinson and O'Brien were not involved in the coverup story?

Mr. MAGRUDER. As I said, I think I told Mr. Parkinson the truth but to my knowledge, he then was told that the truth was not the truth. That the coverup story was the truth and he and O'Brien worked on that basis.

Senator ERVIN. You do not know to what extent Mr. Colson knew what was going on but you do know that Colson had called you and urged you to seek to do what you could to hurry up the approval of the budget for Liddy's operations?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And he said, and he wanted Hunt to be hired to take part in it?

Mr. MAGRUDER. Mr. Howard, his assistant, asked me about that, yes sir.

Senator ERVIN. He wanted the information on O'Brien, did he not?

Mr. MAGRUDER. Mr. Colson did, yes, sir.

Senator ERVIN. Yes. Now, with respect to Mr. Haldeman—Mr. Haldeman at that time stood next to the President, did he not?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. He exercised more governmental power than anybody in the executive branch of the Government with the exception of the President.

Mr. MAGRUDER. That is correct.

Senator ERVIN. And Mr. Strachan was his liaison man with the Committee To Re-Elect the President. And all through this time that they were planning these operations that were being recommended by Liddy and agreeing on the plan, you kept Mr. Strachan fully informed as to those matters?

Mr. MAGRUDER. Yes. In fairness to Mr. Strachan, as the coverup story continued and developed, Mr. Strachan basically dropped out of the picture and Mr. Dean, in effect, became our liaison on the coverup story. I do not think it is fair to implicate Mr. Strachan to any great extent in the coverup story.

Senator ERVIN. Well, you do implicate Mr. Strachan as a man who was supposed to be carrying information to Mr. Haldeman?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And you know you gave to Mr. Strachan complete information about the plans for the bugging and the burglary as they were developing?

Mr. MAGRUDER. That is correct.

Senator ERVIN. So we have got to draw this inference, do we not, that either Mr. Strachan failed to perform his duties as liaison man between the committee and Mr. Haldeman or he did perform those duties. Do we not have to take a choice between those two things?

Mr. MAGRUDER. Senator, I would rather that you take the choice, to be honest with you, because I think it is unfair for me to make an assumption that I have no basis in fact. I just do not have any basis of fact.

Senator ERVIN. I do not have the privilege of knowing Mr. Strachan but you do.

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. Is he the kind of a man that you think would perform the duties he obligated himself to perform?

Mr. MAGRUDER. Yes, I do, sir.

Senator ERVIN. And the duties he obligated himself to perform were to carry the information you gave him about the plans for the bugging and the burglary to Mr. Haldeman?

Mr. MAGRUDER. That would be correct.

Senator ERVIN. Now, immediately after the break-in became public news you were called by long-distance telephone by Mr. Haldeman?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And he asked you what had happened. Now, you did not construe that to be a request for information about the fact that five

men had been caught in a burglary in the Watergate, did you, because that had appeared in the papers and on the radio and TV?

Mr. MAGRUDER. I think, Senator, what he was really interested in is what we were doing about it, not that five men had been caught, but what were we going to do about it.

Senator ERVIN. Since the police had the people under arrest, what do you think Mr. Haldeman thought you ought to be doing about it since you were not a police officer?

Mr. MAGRUDER. Senator, what I think we were attempting to do was to attempt to handle it at that point in time from a public relations standpoint to deny it, which we did.

Senator ERVIN. Well, if Mr. Haldeman did not have any reason to suspect that the Committee To Re-Elect the President had anything to do with it, why did he want you to do anything about it?

Mr. MAGRUDER. I think, Senator, because Mr. McCord was apprehended in that group. And he was our security chief.

Senator ERVIN. Well, I do not think you want to answer this question. I was going to ask if Haldeman would know a little more than that if Mr. Strachan had performed his mission to give him the information that you had given him about the preparations for this mission, would he not?

Mr. MAGRUDER. If he had done that, yes, sir.

Senator ERVIN. Well, anyway, after that conversation you talked to Mr. Haldeman on a number of occasions about what you call a public relations matter?

Mr. MAGRUDER. Yes.

Senator ERVIN. That was as to how you were going to answer all of the charges made day-after-day by the press about the complicity of persons in the committee and persons in the White House about this affair?

Mr. MAGRUDER. I think we can honestly say that any key officials in the White House and the committee would discuss that matter. There were many people who were not involved in any way in the planning and coverup that did work on how to handle this—these charges.

Senator ERVIN. Now, as a matter of fact, there were you and others in the Committee To Re-Elect the President and you had a public relations officer, Mr. Shumway, did you not?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And what is Mr. Shumway's name?

Mr. MAGRUDER. DeVan Shumway.

Senator ERVIN. And almost daily Mr. Shumway was issuing statements to the effect that none of you all had anything to do with it?

Mr. MAGRUDER. That is correct, sir.

Senator ERVIN. So there the public relations man either consciously or unconsciously was undertaking to deceive the American people, was he not? He kept that up month after month, did he not?

Mr. MAGRUDER. That is correct, Senator.

Senator ERVIN. There is a public relations, rather a White House press man, Ron Ziegler, and day after day when the news media were advising all the readers and the hearers about this matter in these new discoveries, there was Mr. Ron Ziegler day after day in the White House giving incorrect statements to the American people to leave them under the impression there was nothing, nothing was rotten in Denmark?

Mr. MAGRUDER. I think in fairness to Mr. Ziegler, Mr. Shumway, and Mr. MacGregor, others to make public statements. I personally think they honestly believed the story that we had come up with and they were only carrying out what they thought was the truth at that time.

Senator ERVIN. I will indulge in that assumption also, but here were all of these people who had participated in the planning of this including people of the stature of John Mitchell, and your stature, and LaRue and Mardian and Dean, knowing that everyday the American people were being told things which were not true by Mr. Shumway and Mr. Ziegler, all of whom kept silent.

Mr. MAGRUDER. Yes, sir; that is correct.

Senator ERVIN. Now, you talked to Mr. Haldeman in January before the trials were had?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And you told him at that time the truth about it, did you not?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And you also recommended that he take care, by some kind of a patronage job, of Mr.——

Mr. MAGRUDER. Porter, sir.

Senator ERVIN. Mr. Porter.

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. Because he had rendered great service in the cover-up, was it not?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. Which service consisted of committing perjury before the grand jury?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And Mr. Haldeman certainly knew from January about your involvement, of Mr. Mitchell's involvement, and other people's involvement that you have discussed here in this sordid affair?

Mr. MAGRUDER. I think to be fair again, to Mr. Haldeman, he may have known it from me but he probably did not know it from other officials and may have decided that their statements were more correct than mine. I do not know, I cannot speak for him, but I think other people were indicating that these things never did happen.

Senator ERVIN. Well, do you not think that to go to the relationship between Mr. Haldeman and the President which you witnessed while you were at the White House it was Mr. Haldeman's duty to go to the President with what you told him?

Mr. MAGRUDER. Senator, I really cannot speak for Mr. Haldeman. I do not think that is fair for me to speak for him. I just——

Senator ERVIN. Do you think it was somebody's duty, if they were interested in the President, to go and tell him the truth?

Mr. MAGRUDER. Senator, in hindsight, I think I agree with you completely. At the time of the case the atmosphere was different.

Senator ERVIN. Notwithstanding the fact——

Mr. MAGRUDER. I cannot support my role in any of the activities, Senator, and I will not support it. It was wrong.

Senator ERVIN. Well, the scriptures say that men love darkness rather than light because of the deeds of evil. Somebody must have covered up something back in the scripture days to quote that. [Laughter.] Anyway, notwithstanding the fact that you knew the

truth about this, you saw time and time again where the President joined Shumway and Ron Ziegler in effect, by denying to the American people that anybody connected with the White House had anything to do with this?

Mr. MAGRUDER. That is correct.

Senator ERVIN. And at the time the President said that you knew that Strachan was connected with the White House and he was connected with it. You knew Dean was connected with the White House and he had been fully advised about it and you knew Mr. Haldeman had been advised by you about the truth?

Mr. MAGRUDER. That is correct.

Senator ERVIN. Going back to this time the White House, the White House people there, they not only did not trust the people outside, the American people, they did not even trust themselves, did they not? They did not trust the FBI. They would not turn over to the FBI investigations, did they?

Mr. MAGRUDER. I only know what you have read. I was not involved in that, Senator, so I cannot really comment.

Senator ERVIN. Mr. Thompson.

Mr. THOMPSON. Thank you, Mr. Chairman.

In response to a question by Senator Baker, I believe you went into motivation or your attitude at the time you made this decision reluctantly, and Senator Weicker explored that a little bit further and now the chairman explored it a little further, and since we are talking about your motivation and your frame of mind at that time, I feel I should ask this question: Were you concerned about legitimate demonstrations, about subversives hiding under the bed, and things of that nature or were there more serious things going on in the country at that time? Up until that time had there been bombings of public buildings, for example?

Mr. MAGRUDER. Well, I think it goes much deeper than that, not only were there bombings of public buildings but bombings, Mr. McCord gave you a complete rundown of many problems. We had death threats against Mr. Mitchell's life, against Mrs. Mitchell's life. We had continuous demonstrations in front of our headquarters. We knew that there were individuals from other campaigns located in our headquarters and doing, in effect, to us what we were doing to them. That again, does not make it right but we were somewhat fearful through many events that actually did occur that were there and were occurring on a continuing daily basis. San Diego, we were particularly concerned about the convention in San Diego. We knew that we expected a tremendous problem there. In fact, it got to the point where we actually had to maneuver the change of the convention site not because of the hotel and the convention center but because of the problem of demonstrations.

Mr. THOMPSON. Were people inviting other people to riot?

Mr. MAGRUDER. Particularly in one candidate's campaign for the President, their offices were being used by antiwar demonstrators for purposes of disrupting the President's campaign.

Mr. THOMPSON. In the year preceding this decision had there been a series of break-ins of FBI offices, for example?

Mr. MAGRUDER. Yes, sir; many.

Mr. THOMPSON. Such that the whole security procedure for FBI offices——

Mr. MAGRUDER. Were changed.

Mr. THOMPSON. Had to be changed. I am a personal witness of a change of that procedure. Were there plans to overthrow, according to legitimate surveillance activity that were being conducted, was it your opinion at the time that there were plans afoot to make some attempt to overthrow the Government by illegal and improper means?

Mr. MAGRUDER. I would not go so far as to say overthrow the Government. I think we had some concern about them overthrowing our convention as they did the Democratic Party Convention in 1968.

Mr. THOMPSON. You were more concerned—maybe I am getting into an area broader than your concern, I am talking about the complete atmosphere rather than the political atmosphere.

Mr. MAGRUDER. I think there was, Mr. Thompson, an atmosphere generally speaking, that I think we in the committee were particularly relating our concerns to the campaign.

Mr. THOMPSON. Sure. And again, I think you properly pointed out that this in no way justified what you did.

Mr. MAGRUDER. Absolutely.

Mr. THOMPSON. But also, in fairness to you, it contributes to shedding some light on the mentality at the time you made this decision and possibly was even a determining factor, as I understand it, in your making this reluctant decision?

Mr. MAGRUDER. There certainly, I think was an atmosphere where certain illegal acts at that time were not considered illegal by many people, in fact, were considered very normal.

Mr. THOMPSON. Let me ask you a few questions with regard to Mr. Dean, Mr. Magruder; I do not want to belabor the point but I have no idea, of course, what Mr. Dean will testify to, and we realize the significance, possible significance, of Mr. Dean's testimony when he does testify and I think it is very important that we pin down just exactly what you know about his situation right now.

I can see the possibility that there might be some difference of stories, so to speak, especially with regard to pre-June 17.

Now, if I understand your testimony correctly, the first information you got, the first proposition that was made to you about any kind of intelligence-gathering activities was by Mr. Dean and his discussions with regard to the Sandwedge problem, is that right?

Mr. MAGRUDER. The kind of significance of the Sandwedge and the eventual Liddy project. We did have some minor kind of intelligence gathering going on that Mr. Dean had nothing to do with, that Mr. Porter, I think, has testified to but of the kind of significant intelligence gathering that was initiated with the first meeting with Mr. Dean.

Mr. THOMPSON. After your first meeting with Mr. Mitchell, I believe you said there was some discussion between you and Mr. Dean and Mr. Liddy. Did Mr. Dean disapprove of the concept in general of surveillance activities?

Mr. MAGRUDER. I think, after the first meeting Mr. Dean and I were both concerned about the scope of Mr. Liddy's proposal. I think we were trying to handle Mr. Liddy in an appropriate manner and we

tried to say now, "Gordon, you are just going way out in left field here and you have got to come back in." He was kind of annoyed he did not get immediate approval and so on.

Mr. THOMPSON. He was the one who originally recommended Liddy to you, was he not?

Mr. MAGRUDER. Mr. Dean was?

Mr. THOMPSON. Yes.

Mr. MAGRUDER. Mr. Dean was not, I would not characterize him as being anything more than, I mean he was appalled as I was, as Mr. Mitchell was, in Mr. Liddy's first proposal and after the second proposal he particularly made a comment, I remember, that it would not be appropriate for us to discuss these matters further with the Attorney General as an example.

Mr. THOMPSON. Why was that inappropriate?

Mr. MAGRUDER. Because he felt if anything ever happened eventually that he did not want it to lead back to Mr. Mitchell.

Mr. THOMPSON. A safety precaution, in other words, as to how it should be handled to protect Mr. Mitchell?

Mr. MAGRUDER. Yes, sir.

Mr. THOMPSON. Then, as I understand it, when you fired Mr. Liddy or contemplated firing him, after he threatened to kill you, he called you up, Mr. Dean called you and intervened on his behalf to make some reference to the importance of what Mr. Liddy was doing. Could you be any more specific as to Mr. Dean's reference to Mr. Liddy's activities? Was he talking about his advice as far as campaign expenditures were concerned?

Mr. MAGRUDER. You, see, I had removed him as campaign counsel, so it was only in relation to the intelligence gathering. I do think. Mr. Thompson, it is not fair to characterize Mr. Liddy's threats to me as what I would call a serious threat; I did not consider it as such.

Mr. THOMPSON. All right. But I am more concerned about what Mr. Dean said to you.

Mr. MAGRUDER. Mr. Dean was relating only to the intelligence gathering.

Mr. THOMPSON. Was it your opinion at that time that Mr. Dean knew that there was under serious consideration a bugging operation?

Mr. MAGRUDER. Yes; of course he did, because he was at the second meeting where we agreed that he would reduce this even further and restrict it to the three targets we had talked about.

Mr. THOMPSON. Did he at any time tell you that you really should not engage in an electronic surveillance operation or bugging operation?

Mr. MAGRUDER. No; he did not.

Mr. THOMPSON. Now, another thing I am interested in: According to your testimony, Mr. Mitchell finally approved this plan, but evidently, it did not originate with Mr. Mitchell?

Mr. MAGRUDER. No; it did not.

Mr. THOMPSON. As I understand, here is Mr. Mitchell who is supposed to be the so-called political expert; he is the head of the campaign, he is running the show, and you in a sense are the No. 2 man. Yet you are not the ones who think this up, you are the recipients of this plan, and it is being presented to you by Gordon Liddy. And here is an individual who has made this treat to you, here is an individual who is capable of coming up with a kidnaping scheme, a

prostitution ring scheme, a guy who gives away 6-foot posters of himself, who shoots out lights, you know, in front of McGovern headquarters—this kind of individual.

Did you assume that Liddy was actually the father of these ideas, or did you not question as to where Mr. Liddy was getting his original ideas?

Mr. MAGRUDER. I think basically Mr. Liddy was the father of these ideas and I think it is appropriate to indicate that Mr. Mitchell at that point in time was under tremendous stress. He had just gone through the ITT hearings, there was a tremendous amount of detail that he was trying to catch up.

As I would characterize this decision, it is what I called a throw-away decision. I personally have now and did have tremendous respect for Mr. Mitchell. He treated me extremely well and was a tremendous leader, as far as I was concerned and still is. I have not changed my opinion of him because of this. I think he was under pressure. It was one of these things that he said, let's go find in a very negative way. I think that is necessary to characterize it that way.

Mr. THOMPSON. Let me digress for just a minute. Did you ever tell Mr. Mitchell before you made your full disclosure that you were going to have to tell the truth?

Mr. MAGRUDER. Yes, sir.

Mr. THOMPSON. What was his response?

Mr. MAGRUDER. He indicated to me that he would not be able to go that way and he would have to go the other way. I said I understood and he said he understood my position and he wished me luck and I wished him luck.

Mr. THOMPSON. After June 17, as I understand it, Mr. Dean was more or less your liaison to help you with your story to the grand jury?

Mr. MAGRUDER. On the coverup, yes, sir.

Mr. THOMPSON. On the coverup, and when things got kind of hot, so to speak, he first of all suggested that he be eliminated from that first meeting?

Mr. MAGRUDER. When we talked about the meetings after the second grand jury appearance, just before my third grand jury appearance, the question was who attended the meetings, and my calendar said Mr. Liddy, Mr. Mitchell, Mr. Dean, and I attended. Mr. Dean suggested that maybe he didn't attend those meetings. I indicated that that wouldn't work, because too many other people were aware of his presence.

Mr. THOMPSON. Of course, he knew better, did he not? This was a suggestion that the rest of you agree that he did not, when in fact, he did, is that correct?

Mr. MAGRUDER. Oh, yes.

Mr. THOMPSON. You said that just wouldn't work.

Mr. MAGRUDER. Wouldn't work.

So we agreed that one meeting just didn't occur, since we thought that was something we could handle.

Mr. THOMPSON. Then this December meeting you had with him, I believe you said he began to forget things?

Mr. MAGRUDER. That is when I did become concerned and asked to see Mr. Haldeman, because I thought possibly things were being setup so that Mr. Porter, say, and myself would end up with the——

Mr. THOMPSON. In this December meeting, was he suggesting then at that time that he really didn't know about the pre-June 17 activities?

Mr. MAGRUDER. His attitude was such that, after that, let me be clear that he had not since then indicated that he didn't know. It was just at that one point in time

Mr. THOMPSON. That was the first time he had ever indicated to you that that might be his new story, as far as that is concerned?

Mr. MAGRUDER. Yes; I think that is correct.

Mr. THOMPSON. What about this Camp David trip that he took? Do you remember when that was?

Mr. MAGRUDER. Well, that was the weekend—that would be the weekend, the first weekend in April. And he was sent up there, as I understand it, to compile for the President the actual facts of the Watergate. I gather that he did not—I did not ever talk to him about the trip. All I did was meet him after he came back from that trip to talk about the meeting.

Mr. THOMPSON. You understood that the President had sent him to Camp David to compile a report——

Mr. MAGRUDER. I understood Mr. Haldeman sent him to Camp David to file a report.

Mr. THOMPSON. Did you see him while he was up there?

Mr. MAGRUDER. No.

Mr. THOMPSON. Did you see him immediately afterward?

Mr. MAGRUDER. I saw him immediately afterward on a Wednesday, the Wednesday Mr. Mitchell came down with Mr. Haldeman. I saw him later that afternoon.

Mr. THOMPSON. At that time, did he indicate that he possibly could not go along with your story?

Mr. MAGRUDER. No; he indicated that he had not made up his mind yet which way he would go and that, of course, gave me great concern.

Mr. THOMPSON. Did he indicate that his trouble might be that if he went with you, that might be inconsistent with the Camp David report which he would give the President?

Mr. MAGRUDER. As I understand, he did not make a report——

Mr. THOMPSON. I am talking about his frame of mind.

Mr. MAGRUDER. No; he did not indicate that to me, sir.

Mr. THOMPSON. Let me ask you a couple of other lines of questions, if I might, with regard to Mr. Stans.

I assume you watched Mr. Stans' testimony on television yesterday?

Mr. MAGRUDER. Yes, sir.

Mr. THOMPSON. And you saw the newspaper report this morning as to the fact that you were supposed to say that Mr. Stans was told by Mr. Mitchell on June 24 about everything. I think previous reference had been made to the executive session. I feel we must refer you to the page and ask you for an explanation.

On page 93 of the executive session transcript, Mr. Dash and myself, one of us put the question to you concerning Mr. Stans and I can read other parts of it if you like, "What did you tell Mr. Stans?" was the question. The answer was: "Well, Mr. Mitchell basically told him the facts."

That leads one to believe that it was somewhat broader than what you said today. Now, are we misunderstanding what you said?

Mr. MAGRUDER. No; I think we should characterize one thing. At no time do I recall, in talking about this case with other people, people that were not involved, did we ever indicate that Mr. Mitchell and I were involved. We indicated the other parameters, but we did not indicate our involvement, and I think this morning, in my testimony, I wanted to be sure that was clear, that we did not indicate our involvement. We indicated there was a problem in an operation that in effect was something we were aware of. We did not go into great detail with Mr. Stans as to the operation and it was not a long, involved discussion on the operation. The problem with Mr. Sloan and Mr. Liddy, which is what he was concerned about, and he was up there to try to find out what about these two people.

Senator BAKER. I wonder, Mr. Thompson, if you will yield for just a moment.

Just so I have a clear understanding of what you are saying, the record reads: "Well, Mr. Mitchell basically told him the facts."

Mr. MAGRUDER. That is right, Senator.

Senator BAKER. What facts?

Mr. MAGRUDER. The facts of Watergate happening, that it was an operation that got fouled up, in effect, that we thought——

Senator BAKER. Did you tell him that Mr. Mitchell, Mr. Dean, Mr. LaRue, and you had consulted with Mr. Liddy on a plan to break and enter the Watergate and had contrived a method of covering up that fact?

Mr. MAGRUDER. No, sir

Senator BAKER. Did you tell him those facts?

Mr. MAGRUDER. Not those facts. We told him the facts about the Watergate as it related to Mr. Liddy being a target and one that we thought would have to be terminated soon, that we were having problems with Sloan. So we discussed the Watergate in that context.

Now, an assumption throughout these discussions was that it was our operation. I would not say that we did not give that impression. We never made an impression that it was not our operation. But I want to be very careful, because I think Mr. Stans did testify very directly on that and I think my response, I think, should be as direct as his was.

Mr. THOMPSON. In other words——

Mr. MAGRUDER. Let me also indicate, Senator, that that question was asked me in executive session as we were reaching the end of executive session. We were moving along very quickly trying to wrap up that session by 1 o'clock and we moved along at that point very quickly. That is the first time that subject had come up.

Mr. THOMPSON. You were telling him, in effect, that the thing had been cut off at Liddy?

Mr. MAGRUDER. No; we did not say that. I want to make that clear. As I recall, we simply said the operation was fouled up, there are problems, and implicit in those problems are Mr. G. Gordon Liddy, so you should be aware that he probably is going to have to be terminated eventually if not sooner.

Mr. THOMPSON. Do you recall who else was present?

Mr. MAGRUDER. Just Mr. Mitchell and I. Mr. LaRue was in Mississippi, Mr. Mardian at that time, who had been attending most of those meetings, stepped out of the office at Mr. Mitchell's request.

Mr. THOMPSON. Mr. Magruder, in your discussions with regard to the story that you would tell the grand jury or how you might cover this matter up, was there ever any discussion as to the possibility of using CIA involvement as a possible defense?

Mr. MAGRUDER. I think as I have indicated before, that subject was brought up, not particularly to a great extent when I was there, but it was a subject that was discussed.

Mr. THOMPSON. Did you mention that today in testimony?

Mr. MAGRUDER. Yes; I have.

Mr. THOMPSON. Do you recall when that was?

Mr. MAGRUDER. No; this was again in that long series of meetings that went on for that period of months, when there were meetings almost on a daily basis on this subject.

Mr. THOMPSON. I am sure you have read accounts of the meeting that supposedly took place between Mr. Haldeman, Mr. Ehrlichman and people in the CIA, Mr. Helms and Walters, I believe on March 23.

Mr. MAGRUDER. June 23, I think.

Mr. THOMPSON. Yes; correct. Can you determine whether or not it was before or after June 23 that this matter was discussed at the Committee To Re-Elect the President?

Mr. MAGRUDER. It would seem to me it would have been after, but I would not like to—these were very free-flowing type discussions and I can't recall the context and I did not participate in most of these discussions. I was not a participant.

Mr. THOMPSON. Do you know who brought the subject up?

Mr. MAGRUDER. No; I do not. I can't recall.

Mr. THOMPSON. I believe you said that you knew that you were in trouble when you knew the grand jury was going to reconvene and they would get to Mr. Reisner.

Mr. MAGRUDER. The combination, I think, of the Senate, your committee, and the grand jury.

Mr. THOMPSON. Were you aware of the fact that we in effect, I believe, had subpenaed him at that time before this committee?

Mr. MAGRUDER. I knew shortly thereafter, but I knew he was critical from that standpoint.

Mr. THOMPSON. You say to your mind this was the only——

Mr. MAGRUDER. My own feeling was that we were able to convince the prosecutor but if they had seen him, they would have——

Mr. THOMPSON. Let me ask you one question I think I should address myself to for just a moment, the question of Mr. Sloan, his statement to the prosecutors that you had tried to get him to perjure himself, and the prosecutor's response, which started some speculation. And you have testified as to this today. But I think in fairness to them, we ought to get your exact views as to that.

As I understand it, they did pursue this matter with you?

Mr. MAGRUDER. For approximately 3 hours.

Mr. THOMPSON. And they did take him before the grand jury and pursue it?

Mr. MAGRUDER. That is right.

Mr. THOMPSON. Do you feel that you convinced them that this was not really a disparity, or a difference, or a direct conflict in testimony, but a misunderstanding?

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Mr. MAGRUDER. And it is a misunderstanding. It was in the—in a direct conflict. I did not ask him directly in that sense to perjure himself. I suggested that he had better do something about his own problems in an attempt to be helpful. Now, that maybe wasn't very helpful.

The problem was not on the—the problem then was on the money, on the $5,300. That was the only time I mentioned that he may have to solve his problem by not telling the truth, in effect, when we were talking about the $5,300. It was later that we talked about settling on a sum and we disagreed on a sum. But it was not, I did not at that time tell him to do anything but tell me what the figure was.

Now, I fully admit that I tried, I had hoped and kept saying to him, isn't the figure a little lower, because I thought it was lower. I did not believe that that figure could be $199,000.

Mr. THOMPSON. Hoping it was lower?

Mr. MAGRUDER. Hoping it was lower, the lower the better. But I did not believe that $199,000. To this day, I am positive that there is money that has not been expended from that $199,000.

Mr. THOMPSON. Do you feel that some people perhaps were taking a little off the top from time to time?

Mr. MAGRUDER. Again, that is an assumption I would prefer not making. But I cannot, knowing the figures in the U.S. attorney's office, come up with how that money was spent.

Mr. THOMPSON. We have some testimony, I believe, as to Mr. Liddy's charts. He said they possibly cost $7,000 or $8,000, I believe, somewhere in that neighborhood. You saw those charts?

Mr. MAGRUDER. Yes.

Mr. THOMPSON. You are familiar with these matters. How much do you think these charts would cost?

Mr. MAGRUDER. Using overtime, extensive overtime, they shouldn't have cost more than $150 apiece.

Mr. THOMPSON. That is all.

Senator ERVIN. I want to ask some questions about this, Mr. Magruder.

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. Let me read those questions and answers to you.

Yes. On June 24 were you in a meeting with Mitchell and Stans?

Mr. MAGRUDER. Yes.

Question. What was that meeting about?

Mr. MAGRUDER. About what happened.

Question. Is that when Mr. Stans asked you about that?

Mr. MAGRUDER. Well, he did not ask me. He asked Mr. Mitchell what had happened.

Question. That's when they made you a quote, Mr. Mitchell did. Did you tell Mr. Stans what happened?

Mr. MAGRUDER. Mr. Mitchell told.

Question. What did he say?

Mr. MAGRUDER. That we had had this operation and ended up with Mr.——

And then there is a dash indicating an interruption—

Question. Mr. Mitchell in fact did on June 24 make that statement to Mr. Stans.

Mr. MAGRUDER. Yes.

Question. Did you corroborate that at that time? Did you make any statements?

Mr. MAGRUDER. Yes. I was a participant, but primarily between the two principals.

Question. Did a discussion come out with Mr. Stans that is where your money went?

Mr. MAGRUDER. In effect, what was going on.
Question. What happened with our money?
Mr. MAGRUDER. Yes.
Question. Actually, he was sitting on top of the money.
Mr. MAGRUDER. At that point, he was sitting on the bottom.
Question. Did he say anything? What did Stans say at that point?
Mr. MAGRUDER. I think he was satisfied that he knew what had happened. He, therefore, then was able to go back I guess and try to determine how to handle the problem through the money. It was mainly in relation to Mr. Sloan as to how we were handling—they would handle Mr. Sloan.

Is that a substantially correct transcript?

Mr. MAGRUDER. Yes. I think that fits, Senator, with just what I have said, that Mr. Sloan was not forthcoming with us about how much money had been disbursed to Mr. Liddy and we were interested to know what the dollars were and he said he could not tell us and we went through this scenario into July, Senator.

Senator ERVIN. But this transcript of your testimony says that Mr. Mitchell told Mr. Stans and that this is what Mr. Mitchell said, "That we had this operation."

Mr. MAGRUDER. That is correct. I think I just repeated that before.

Senator ERVIN. Who were the "we"?

Mr. MAGRUDER. "We" was us, I think I just said.

Senator ERVIN. And the operation they were talking about was the Watergate burglary.

Mr. MAGRUDER. That is correct.

Senator ERVIN. Yes. And Mr. Mitchell told Mr. Stans that that was where his money had gone?

Mr. MAGRUDER. That is correct.

Senator ERVIN. In this operation which we—that is, Mr. Mitchell and you—had this?

Mr. MAGRUDER. That is correct. But in fairness to Mr. Stans, Mr. Mitchell and I did not say we led this operation. We said it was one of our operations which had been fouled up, in effect.

Senator ERVIN. But you said it was your operation?

Mr. MAGRUDER. Yes, sir.

Senator ERVIN. And the operation you were talking about was the burglary at the Watergate?

Mr. MAGRUDER. That is correct.

Senator ERVIN. Senator Weicker.

Senator WEICKER. Mr. Magruder, just one very brief question. Did John Dean prepare you for your grand jury testimony on August 16?

Mr. MAGRUDER. Yes.

Senator WEICKER. Before the grand jury?

Mr. MAGRUDER. Yes.

Senator WEICKER. When did that preparation take place?

Mr. MAGRUDER. We had discussed it over the weeks I had worked with the attorneys and I worked with Mr. Mitchell, but we had spent 2 hours on the morning before I had the formalization with the prosecutors where he interrogated me.

Senator WEICKER. He interrogated you in other words what——

Mr. MAGRUDER. In the same nature he expected them to interrogate me.

Senator WEICKER. Sort of a mock trial, with Mr. Dean as prosecutor?

Mr. MAGRUDER. That is correct.

Senator WEICKER. Where did this take place?

Mr. MAGRUDER. At his office in the White House.

Senator WEICKER. In the White House?

Mr. MAGRUDER. That is correct.

Senator WEICKER. On the basis of your experiences with Mr. Dean between June 17 and August 16—that is when you actually appeared before the grand jury?

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Would you say Mr. Dean was conducting an investigation or a coverup?

Mr. MAGRUDER. I think, Senator, there was never an investigation conducted.

Senator WEICKER. He was conducting a coverup.

Mr. MAGRUDER. Yes, sir.

Senator WEICKER. Thank you very much. No further questions.

Senator BAKER. I have some, if you don't mind, Mr. Chairman.

On this Stans thing, really, it is terribly important not only from the standpoint of your testimony and the facts that this committee will find, but it is important to Mr. Stans, I would rather expect.

Mr. MAGRUDER. Yes, sir.

Senator BAKER. I want to make sure I understand what you are saying so I can compare it against the testimony Mr. Stans has given us and compare it in the future against the testimony that Mr. Mitchell will give us.

Now, the transcript says that you told Mr. Stans the facts. This is the transcript of your interview before the majority and minority staff of the committee.

Now, I already asked you if you told Mr. Stans that you planned, led, and were responsible for the unlawful entry into Democratic national headquarters at the Watergate complex. Did you tell Mr. Stans that?

Mr. MAGRUDER. No; we did not.

Senator BAKER. Did you tell Mr. Stans that you were then planning and intended to implement an untruthful story to try to cover it up?

Mr. MAGRUDER. Absolutely not.

Senator BAKER. Well, where does that lead? What did you tell Mr. Stans?

Mr. MAGRUDER. We told him, I think, just what Senator Ervin has said, that an operation that we had knowledge of got fouled up, something to that effect; that Mr. Liddy, who was his general counsel, was involved in this operation and that we would probably have to terminate Mr. Liddy, and that we were having difficulty with Mr. Sloan because Mr. Sloan was not discussing with us in any legitimate terms how much money had been given to Mr. Liddy and it was important for us to know how much money was given to Mr. Liddy. And I think that is the general context.

It was a meeting that took no more than 10 minutes, 5 or 10 minutes. It was a year ago. I think it is very difficult to recall specifically the specific statements made by participants in meetings of this kind. But the general context was because Mr. Stans had come up, I think, because Mr. Sloan had said, they are giving me a tough time upstairs, can you go up and see what you can do for me. We, in effect, said to Mr. Stans, will you go down and assist us with Mr. Sloan, in effect.

Senator BAKER. Mr. Magruder, thank you very much.

Mr. Chairman, thank you.

Mr. DASH. I just have a few questions, Mr. Magruder.

You said, and I think the testimony seems to be that Mr. Dean introduced Mr. Liddy to you.

Mr. MAGRUDER. Yes.

Mr. DASH. But is it not true that you have also told us that Mr. Haldeman approved Mr. Liddy's appointment?

Mr. MAGRUDER. In the sense that no White House employee was allowed to move over to the Committee To Re-Elect the President without his prior approval, which in a sense was a negative approval. We let Mr. Strachan know that we were contemplating hiring Mr. Liddy through Mr. Dean. There were some salary discrepancies and discussions with another assistant of Mr. Haldeman's. When that was straightened out, in fact, that led to a memo which I sent to Mr. Haldeman explaining all the individuals who had been hired from the White House, at what salary, and so on. Mr. Liddy is included in that memo.

Mr. DASH. So Mr. Haldeman was involved in solving the salary setup?

Mr. MAGRUDER. That is correct; yes.

Mr. DASH. Now, when Mr. Liddy told Mr. Mitchell and you after you had gone over the Gemstone file with him, and when Mr. Mitchell said he was dissatisfied, and he said that he was going to correct the errors, did Mr. Mitchell or you say no; don't do it?

Mr. MAGRUDER. No.

Mr. DASH. Isn't it true, also, Mr. Magruder, that you did give Mr. Howard some information that you had received, information from that operation?

Mr. MAGRUDER. Yes; in a number of informal discussions with him, I indicated that we would have information forthcoming and that if he could work with Mr. Strachan who was the conduit, we would probably be able to provide them. Mr. Colson headed up the group called the——

Mr. DASH. This was Gemstone you were referring to?

Mr. MAGRUDER. Yes; I was referring to Gemstone, but to be fair to Mr. Howard, I didn't say this was Gemstone information coming from wiretaps.

Mr. DASH. Now, did you have any discussion with Sally Harmony prior to her testimony?

Mr. MAGRUDER. Yes.

Mr. DASH. Could you give us briefly what that discussion was?

Mr. MAGRUDER. It was the type of discussion we had with a number of employees who were being questioned by the U.S. attorney's office; generally speaking, that we hoped they would do nothing that would affect the President's election type of discussion. Other people did discuss with others, Miss Harmony and other people, more detailed facts about this.

Mr. DASH. What did she say to you when you said that?

Mr. MAGRUDER. She indicated that there would be no problem with her testimony.

Mr. DASH. Did you make that report to Mr. Mitchell?

Mr. MAGRUDER. Again, I think there were other individuals who were more directly involved with talking with people who were prospective witnesses. I think I probably did mention when we found out that we were not going to have a problem.

Mr. DASH. Did Mr. LaRue tell you what his role was in the coverup? I think you mentioned him by name?

Mr. MAGRUDER. Yes; he worked, of course, on the funds end of it.

Mr. DASH. Did he say what I told you?

Mr. MAGRUDER. He simply told me that he was parceling out the cash, in effect.

Mr. DASH. Can you be more specific?

Mr. MAGRUDER. I really can't, because the only direct reference was, did I know somebody who could make a drop for him to one of the defendants in Miami. So he didn't go into detail as to how he was doing it, so it would be very difficult for me to be more specific.

Mr. DASH. Did he tell you where he was getting the money?

Mr. MAGRUDER. I think there was some reference to the $350,000 made.

Mr. DASH. What $350,000?

Mr. MAGRUDER. That was transferred over to Mr. Haldeman and Mr. Strachan and then transferred back.

Mr. DASH. Is that the $350,000 that appears there that was taken from Mr. Sloan's safe?

Mr. MAGRUDER. As a matter of fact, Mr. LaRue did tell me when Mr. Strachan brought that back, Mr. Strachan wanted a receipt. Mr. LaRue said "I won't give you a receipt." So Mr. Strachan just gave him the money.

Mr. DASH. That is when Mr. Strachan brought it back from the White House?

Mr. MAGRUDER. He withdrew it.

Mr. DASH. You said when the question of the coverup was about to be developed, you were ready yourself to take the blame—actually, to resign.

Mr. MAGRUDER. I had suggested it hopefully as a secondary alternative.

Mr. DASH. But you said it wasn't picked up. Who didn't pick it up?

Mr. MAGRUDER. I think it was picked up for a period of time and I think there was serious discussion.

Mr. DASH. Who decided not to?

Mr. MAGRUDER. Mr. Mitchell told me they did not accept my offer.

Mr. DASH. Isn't it true that Mr. Haldeman told you that the President wanted you to stay on?

Mr. MAGRUDER. Yes; that is correct. Mr. Haldeman told me when Mr. MacGregor became campaign director, he wanted me to stay on as deputy campaign director.

Mr. DASH. That was after Mr. Mitchell was to leave?

Mr. MAGRUDER. That is correct.

Mr. DASH. Is it true that there was some discussion in the earlier meeting, especially after the February 4 meeting in Mr. Mitchell's office, that there had to be some deniability for Mr. Mitchell?

Mr. MAGRUDER. Yes; Mr. Dean brought that subject up.

Mr. DASH. Can you tell us how he brought that subject up?

Mr. MAGRUDER. Toward the end of the meeting—again, we were getting into these very sensitive matters and I think Mr. Dean said it would be appropriate in the future that we not hold meetings in Mr. Dean's office, that Gordon and you and I, meaning myself, that these matters came up and that I become a conduit to Mr. Mitchell, so Mr. Liddy would not have to deal with Mr. Mitchell.

Mr. DASH. When Mr. Dean was meeting with you later on the break-in, was it your impression that he was acting alone or in his capacity as a White House assistant?

Mr. MAGRUDER. He was working with Mr. Mitchell, so in effect, he was helping Mr. Mitchell. Again, it is an unfair assumption for me to make as to whether he was or wasn't working under direct orders of Mr. Haldeman or Mr. Ehrlichman. I do not know.

Mr. DASH. Well, you had an opinion at the time while he was working, what was your opinion at the time?

Mr. MAGRUDER. My opinion was that he was working under their instructions; yes.

Mr. DASH. Now, just one final question: In California, just before you came back to Washington, you said there were a number of meetings. Did you know Mr. Gray was out in California at that time?

Mr. MAGRUDER. No; I did not. He was not in the Beverly Hills Hotel and I left from Beverly Hills. I read in the newspaper that they met him down at the Newporter down in Newport.

Mr. DASH. I think in the testimony, I think it was Senator Inouye who was going down the list of names about who was involved in the coverup and I think one of the names mentioned was Mr. Sloan's and I think your testimony was, yes; he was, is that correct?

Mr. MAGRUDER. I did not mean he was involved in the coverup but because of the money he knew about the coverup. I do not mean to imply, in fact, I think it has been testified by Mr. Sloan, and you have agreed, that he was not involved in the coverup. To my knowledge, he was not involved in it. I think he obviously had to be aware of it because he was dealing in the funds at that time.

Mr. DASH. By the way, to just get back very quickly to June 24 in terms of the problem of Mr. Stans not finding out how much money Mr. Sloan had given Mr. Liddy, are you aware of the fact that on June 23 Mr. Sloan had given a final report to Mr. Stans in which that figure, $199,000, was given to him?

Mr. MAGRUDER. I was aware yesterday in his testimony. I was not aware——

Mr. DASH. So that on June 24, the day afterward, he certainly could not have been in trouble in attempting to find out what the trouble was?

Mr. MAGRUDER. He did not tell us what the figure was.

Mr. DASH. I have no further questions.

Senator MONTOYA. Mr. Chairman, I would like to ask just one question directly on one subject matter. Did you know Mr. Dick Whitney?

Mr. MAGRUDER. Yes, sir.

Senator MONTOYA. What was his position on or about July 1971?

Mr. MAGRUDER. Senator, he was assistant to Mr. Stans.

Senator MONTOYA. Did he work in the Department of Commerce?

Mr. MAGRUDER. Yes, sir.

Senator MONTOYA. And did he have any other duties other than those connected with the Department of Commerce?

Mr. MAGRUDER. Not to my knowledge, sir.

Senator MONTOYA. Did he have any connection with the campaign?

Mr. MAGRUDER. Not directly.

Senator MONTOYA. Did he have any connection indirectly?

Mr. MAGRUDER. Well, he had come over to me, I think you are referring to the memo that I wrote to Mr. Mitchell, he had come over to me, we had discussed, he was an old advance man and we were discussing some of the things we should be doing in the campaign and he mentioned what he called a discretionary fund that he said the Secretary had at his disposal that was a legitimate fund that was used for legitimate purposes but that under certain circumstances it could be of assistance to us in the campaign.

Senator MONTOYA. What did he mean by that discretionary fund?

Mr. MAGRUDER. Well, I think, I would refer to it in the same way, in 1964 in Theodore White's book, "The Making of the President" refers at great length to the method by which the late President Johnson utilized many of the Government departments not officially to help his campaign but indirectly, and I think Mr. Whitney was referring to it in the same manner.

Senator MONTOYA. Was this Government money?

Mr. MAGRUDER. Yes, sir.

Senator MONTOYA. And he did mention that there was a discretionary fund of $1 million?

Mr. MAGRUDER. He said that the Commerce Department there was approximately this amount that they were using for activities such as hiring and it was at the Secretary's discretion. I do not think this was a single fund. I did not get the impression there was a single fund. I got the impression that here and there you could use funds without any great direct control over them, programmatic control.

Senator MONTOYA. If the chairman and the members of the committee will permit me to read this into the record and then I will introduce it.

July 28, 1971, Confidential: Memorandum for the Attorney General:

Dick Whitney who is Secretary Stans' political Special Assistant spent some time with me discussing 1972. One idea which he brought up might be useful in other departments.

The Secretary has built up a discretionary fund at Commerce that will total approximately $1,000,000. He is using this fund for conferences, hiring, and other activities that will be beneficial to the President's re-election.

If you feel it is appropriate, Secretary Stans might discuss this concept with other Cabinet Officers to see if they can develop the same kind of fund within their own departments.

And then you have there a line for "Approved, Disapprove, Comment" and your name appears, "Jeb S. Magruder," and this was your memorandum submitted to Mr. Mitchell.

Mr. MAGRUDER. Yes, sir, that is correct, sir.

Senator MONTOYA. I submit this for the record, Mr. Chairman.

Senator ERVIN. I believe it is already in there. I am not certain; if it is not, we will put it in as an exhibit.

Senator MONTOYA. It was not admitted.

[The document referred to was entered as exhibit No. 27 for identification only in hearing of June 12, page 696, and is now for the record.*]

Senator ERVIN. Like Senator Montoya, I have a compassionate heart and I have a great deal of sympathy for the predicament in which you find yourself. I was very much encouraged by your statement that you are not going to let this keep you from going ahead and living a useful

*See p. 899.

life, and I would recommend to you go get the poem by Walter Malone called "Opportunity" which tells of "Each night I burn the records of the day. At sunrise every soul is born again," and I think it is the most encouraging set of words ever put together by any man. And despite your very unfortunate state at the present time you have got about the greatest asset that any man can have, you have a wife who stands behind you in the shadows where the sun shines, so I wish you success in your future endeavors.

I want to thank you for your testimony, and I presume that if we need to recall you, you will be available on proper notice.

Mr. MAGRUDER. Yes, sir, and I thank you for your comment.

Senator ERVIN. Since the committee has some internal affairs to deal with on Monday we will not have a public session on Monday. The next public session will be at 10 o'clock on Tuesday.

[Whereupon, at 5:30 p.m., the committee recessed, to reconvene at 10 a.m., Tuesday, June 19, 1973.]

[On June 18, 1973, the committee chairman received a written request from Senate Majority Leader Mike Mansfield and Senate Minority Leader Hugh Scott to postpone the public hearings for 1 week. The letter was prompted by the visit of Soviet leader Leonid I. Brezhnev to the United States to conduct a summit conference with President Richard Nixon. The full committee, in executive session, voted 6–1 to postpone further hearings until 10 a.m. on Monday, June 25, 1973.]

EXHIBITS SUBMITTED FOR THE RECORD

EXHIBIT NO. 16

GEMSTONE

date_____

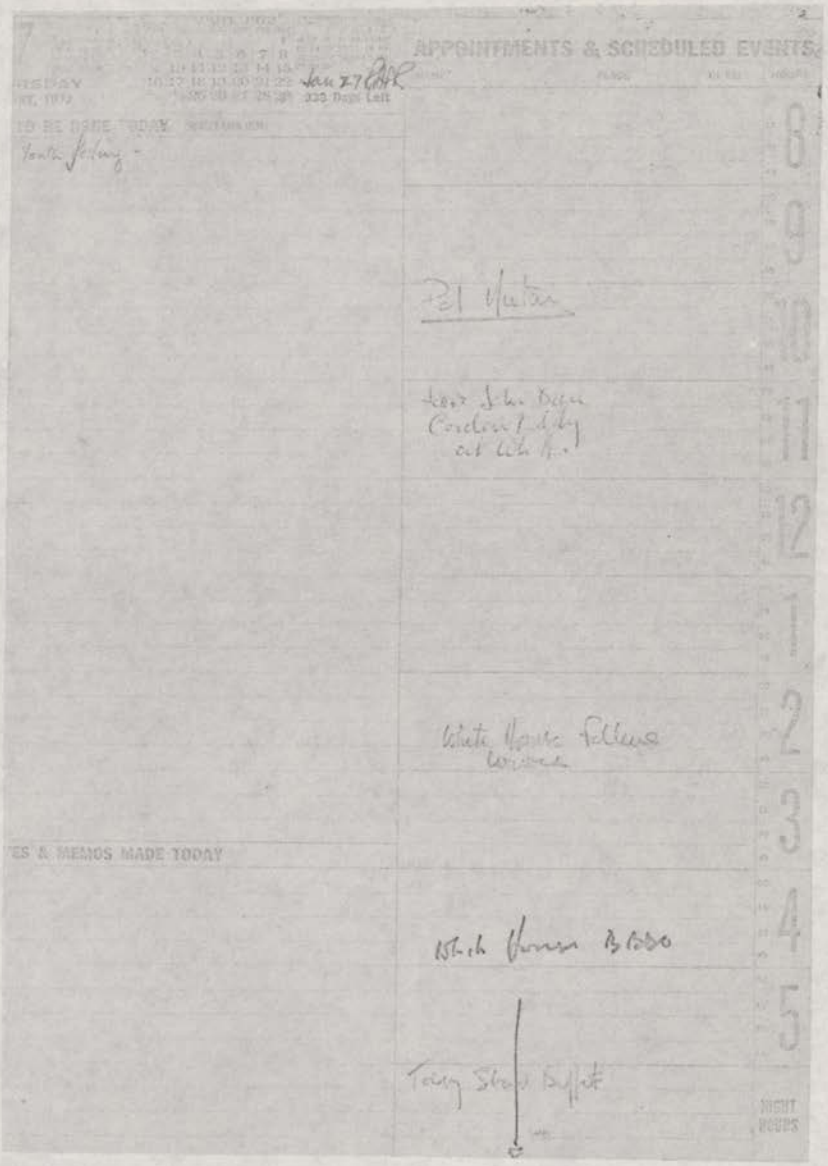
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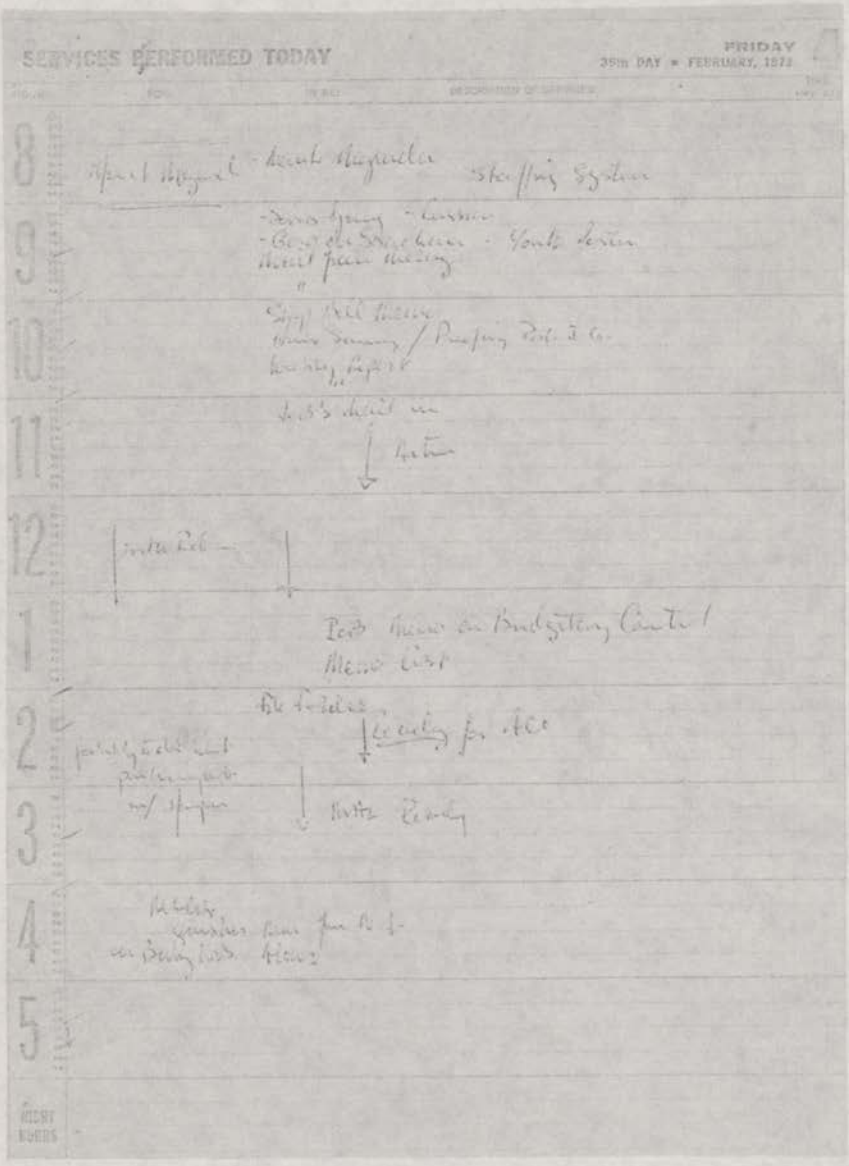
EXHIBIT No. 17

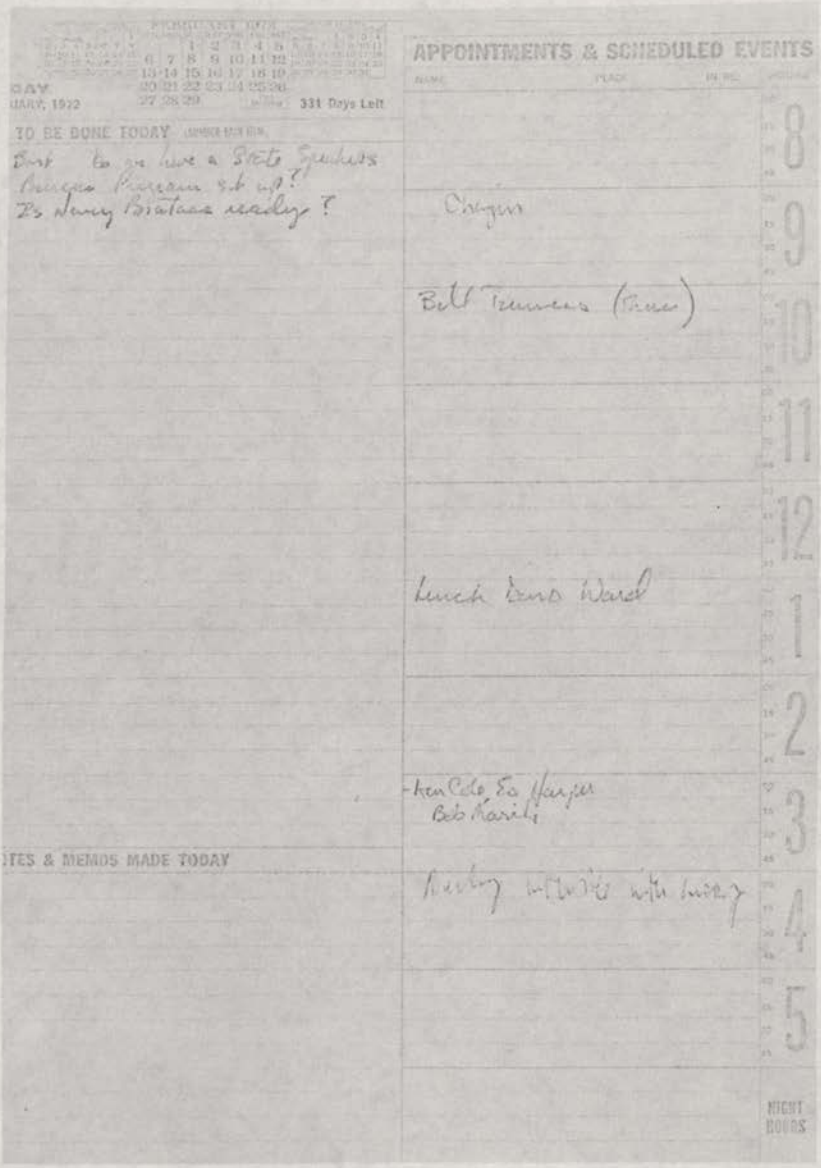
Enclosed are copies from Robert Reisner's diaries for the dates:

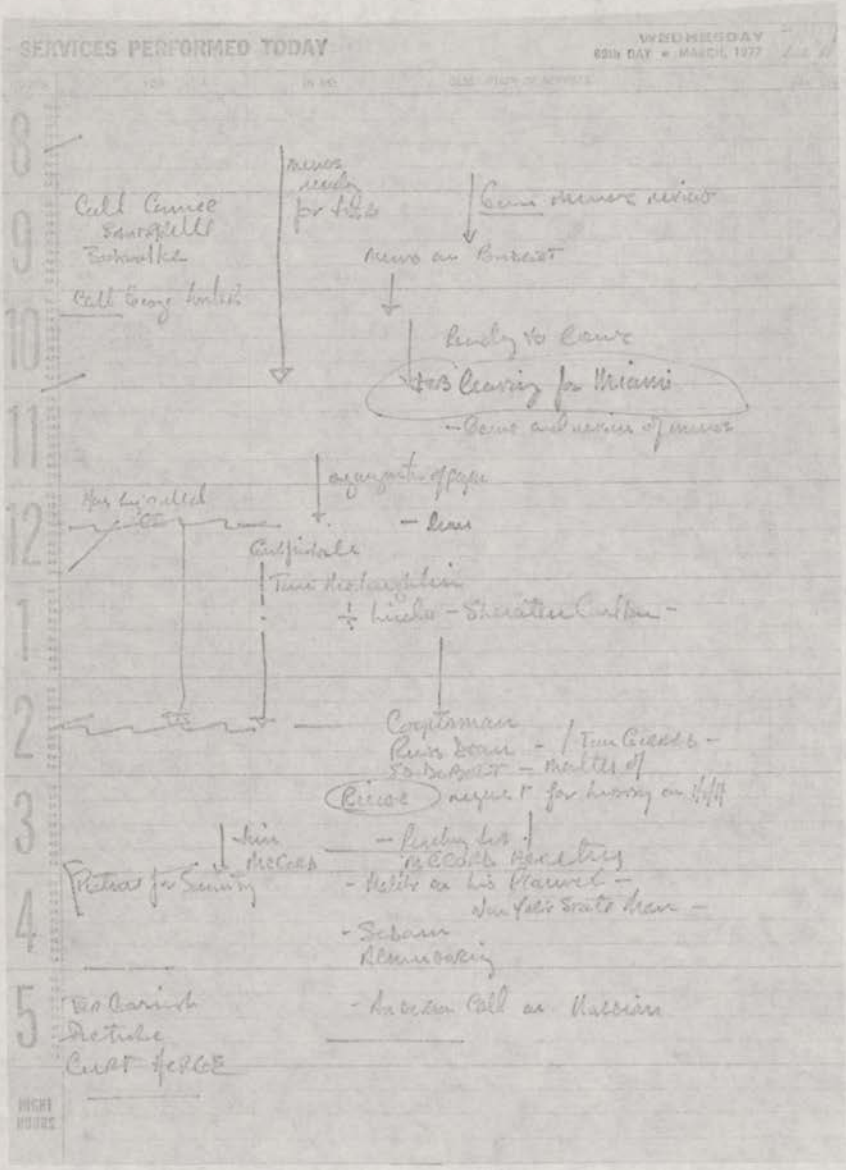
January 27, 1972
February 4, 1972
March 29, 1972
March 30, 1972
March 31, 1972
June 19, 1972

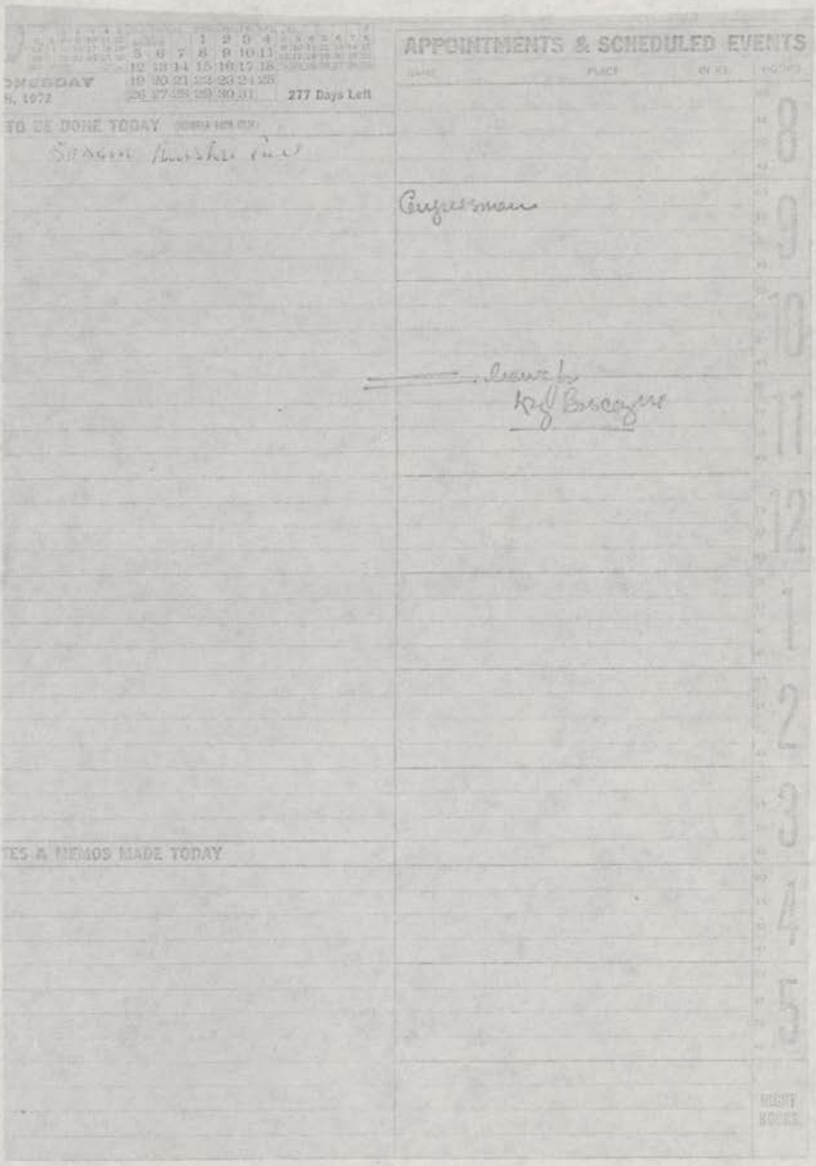
There are also copies of Vicki Chern's diary for February 4, 1972.

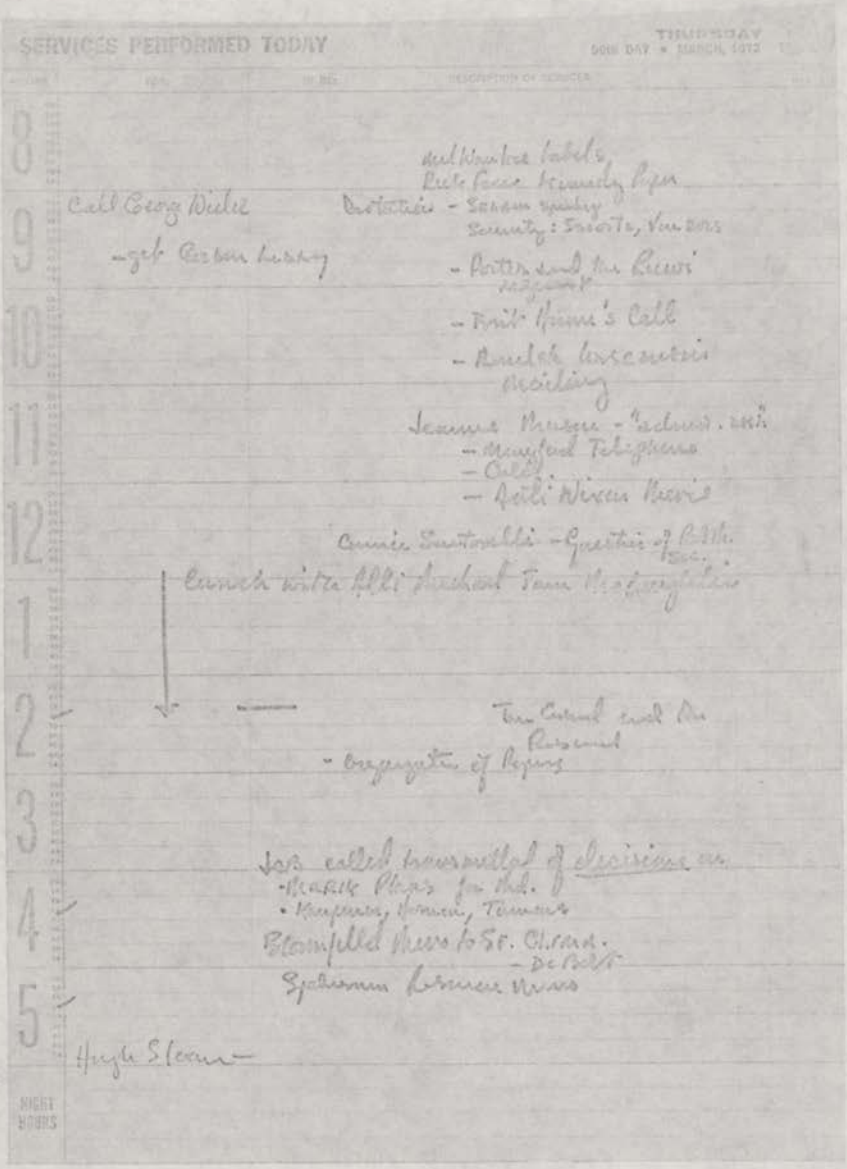

APPOINTMENTS & SCHEDULED EVENTS
Jan 17
335 Days Left
TO BE DONE TODAY
Pat Hutar
Lear John Dean
Condon / Libby
at WH
White House Fellows
Luncheon
NOTES & MEMOS MADE TODAY
White House Mess
Tony Stone Buffet
8
9
10
11
12
1
2
3
4
5
NIGHT HOURS


SERVICES PERFORMED TODAY
FRIDAY
25th DAY • FEBRUARY, 1972
8
9
10
11
12
1
2
3
4
5
AGENT NUMBERS


APPOINTMENTS & SCHEDULED EVENTS
NAME
PLACE
IN RE
331 Days Left
TO BE DONE TODAY
Chagas
Bell Trumans (Texas)
Lunch Dana Ward
Ken Cole, Ed Harper
Bob Kavil
NOTES & MEMOS MADE TODAY
Meeting w/Dr K with Lucy
8
9
10
11
12
1
2
3
4
5
NIGHT HOURS


SERVICES PERFORMED TODAY
WEDNESDAY
69th DAY • MARCH, 1977
8
9
10
11
12
1
2
3
4
5
HIGH HOURS
Call Connie Spaargaren Bokmeller
Call Gary Tonkel
news ends for the day
Conn presence desired
News on Breast
Ready to leave
HRB leaving for Miami
- Come and receive of power
Hon Lingerfelt
Cullendale
Time Metropolitan
÷ Linda - Sheraton Carlton -
Coppleman
Pres Down - / Tim Gibbs -
50 Dr Bryant - Matter of
Pierce request for hearing on 4/14
Tim McCabe
Pictures for Sunday
- Reading List
RECORD Hagerty
- Notice on Lis Pleadings -
New York State Assn -
- Schaum
Remembering
- Anderson Call on Watson
Bob Carroll
Dictate
Court Hence


APPOINTMENTS & SCHEDULED EVENTS
277 Days Left
TO BE DONE TODAY
Strategy Meeting Cont'
Guzzetti
Leave to
Kaj Bascayne
NOTES & MEMOS MADE TODAY


SERVICES PERFORMED TODAY

THURSDAY
30th DAY • MARCH, 1912

8
9
10
11
12
1
2
3
4
5
NIGHT HOURS

Call Craig Wiles
-get Carbon Copy

Dictation - Season opening
Security: Exhibits, Numbers
- Potter and the Record
- Knit Hume's Call
- Rudolph Lascaux's Wedding

Jeanne Morgan - Academy Exhibition
- Mayfield Telegrams
- Call
- April Vivian Morris

Annie Santorelli - Quarter of 8th

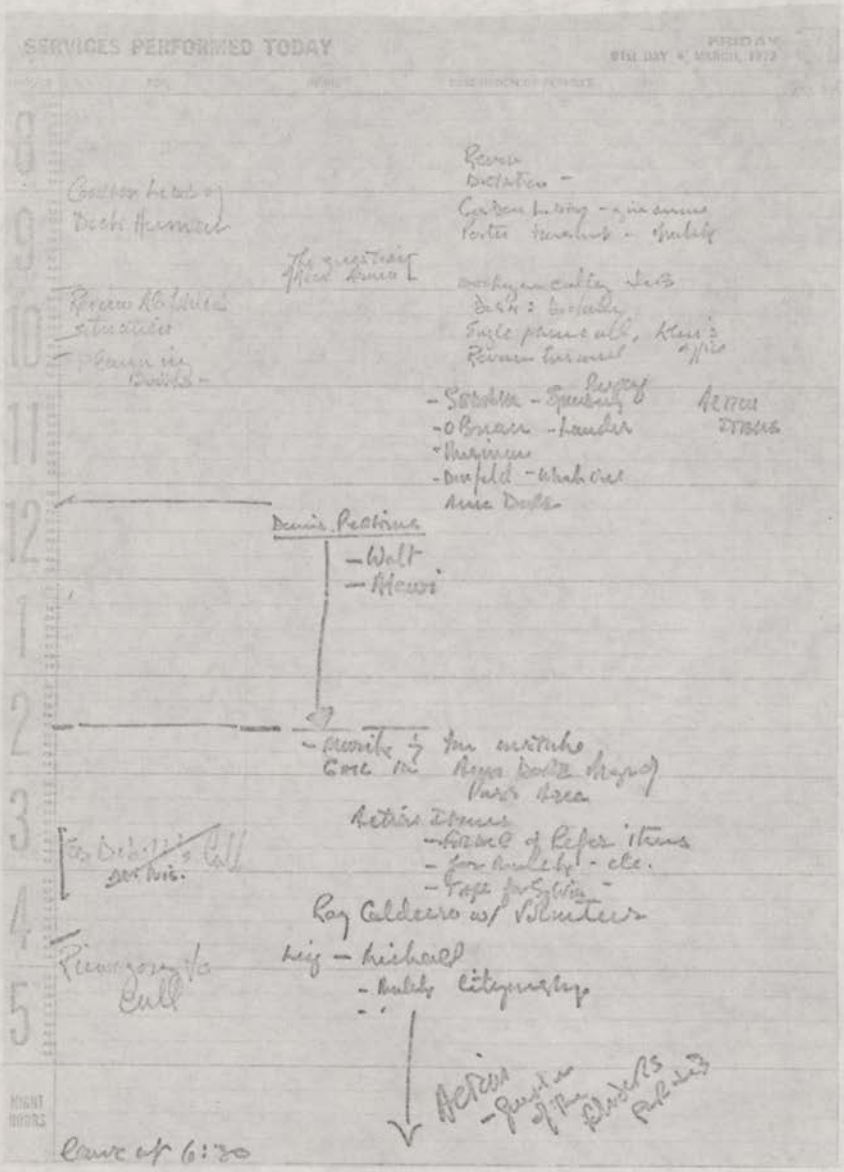
Lunch with Alli Packard Town Meeting Politics

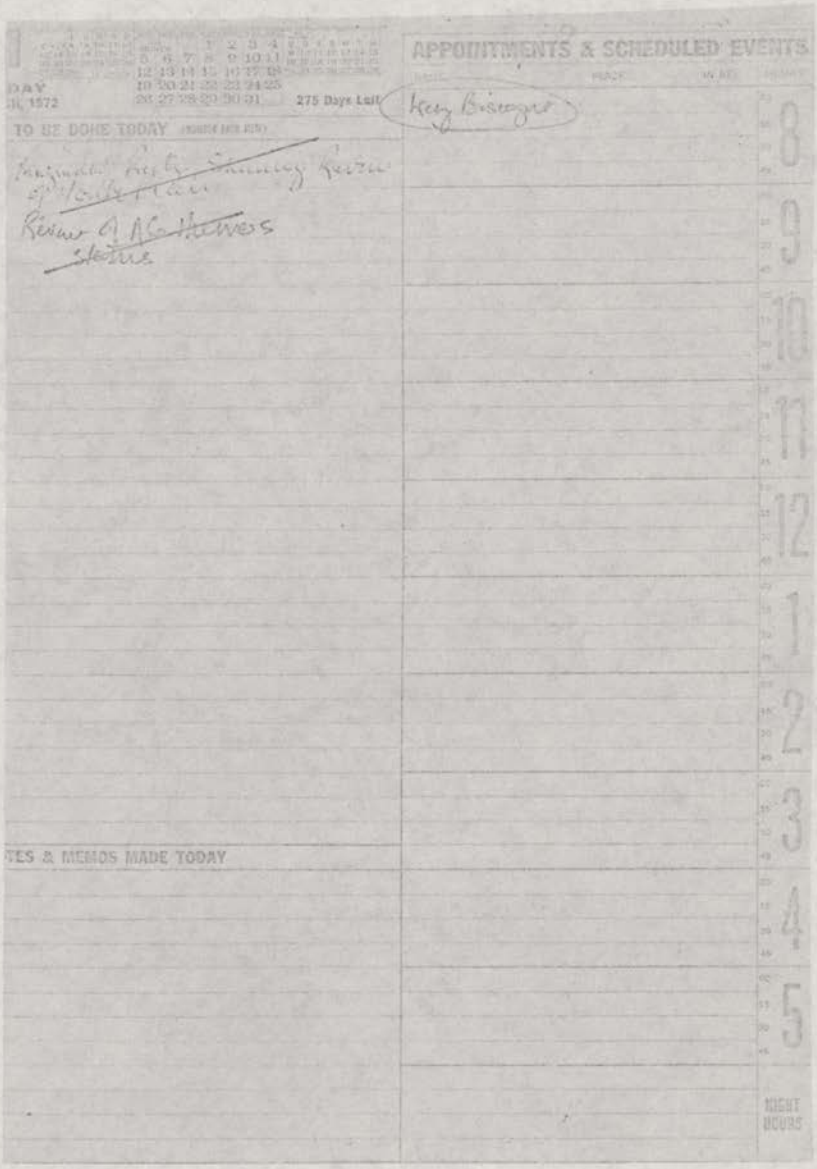
Tea Council and Dr Personnel
- Segregation of Reports

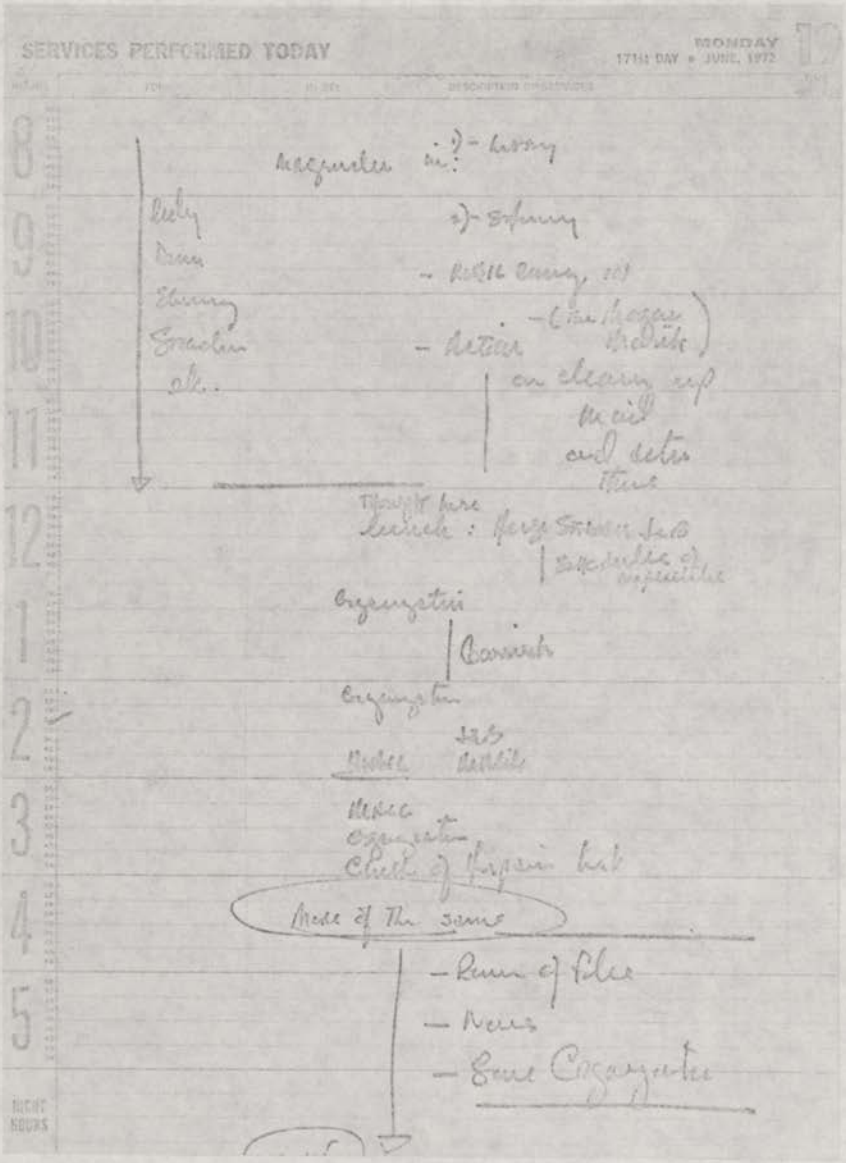
Jos called Transmittal of Decisions re
- Public Plays for Ind.
- Kingsley, Howard, Tenney
Bloomfield News to St. Chron.
- Dec 8/27
Spokesman Examiner News

Hugh Sloane


APPOINTMENTS & SCHEDULED EVENTS
276 Days Left
TO BE DONE TODAY
NOTES & MEMOS MADE TODAY
8
9
10
11
12
1
2
3
4
5


SERVICES PERFORMED TODAY
FRIDAY
9TH DAY OF MARCH, 1973
8
9
10
11
12
1
2
3
4
5
NIGHT HOURS
Review
Dictation -
Porter
Dennis Perkins
- Walt
- Henri
Ray Calderon w/ Visitors
Leave at 6:30


APPOINTMENTS & SCHEDULED EVENTS
DAY
275 Days Left
Key Biscayne
TO BE DONE TODAY
Review of McNamara's Testimony
Review of McNamara's Testimony
Review of McNamara's Testimony


SERVICES PERFORMED TODAY
MONDAY
17TH DAY • JUNE, 1972
8
9
10
11
12
1
2
3
4
5
NIGHT HOURS

February 4 Tuesday

APPOINTMENTS		APPOINTMENTS
8:00	2:30	
8:15	2:45	
8:30	3:00	Ken Cole
8:45	3:15	Ed Hoyt
9:00 Dwight Chapin	3:30	Bob Haldeman
9:15	3:45	
9:30	4:00	AG, Kleindienst
9:45 ~~Jeff Donfeld~~	4:15	John Dean
10:00 Jeb at Bill Timmons	4:30	
10:15	4:45	
10:30	5:00	
10:45	5:15	
11:00	5:30	
11:15	5:45	
11:30	6:00	
11:45	6:15	
12:00	6:30	
12:15	6:45	
12:30 Dayton Ward	7:00	
12:45 [illegible]	7:15	
1:00	7:30	
1:15	7:45	
1:30	8:00	
1:45	8:15	
2:00	8:30	
2:15	8:45	

EXHIBIT No. 18

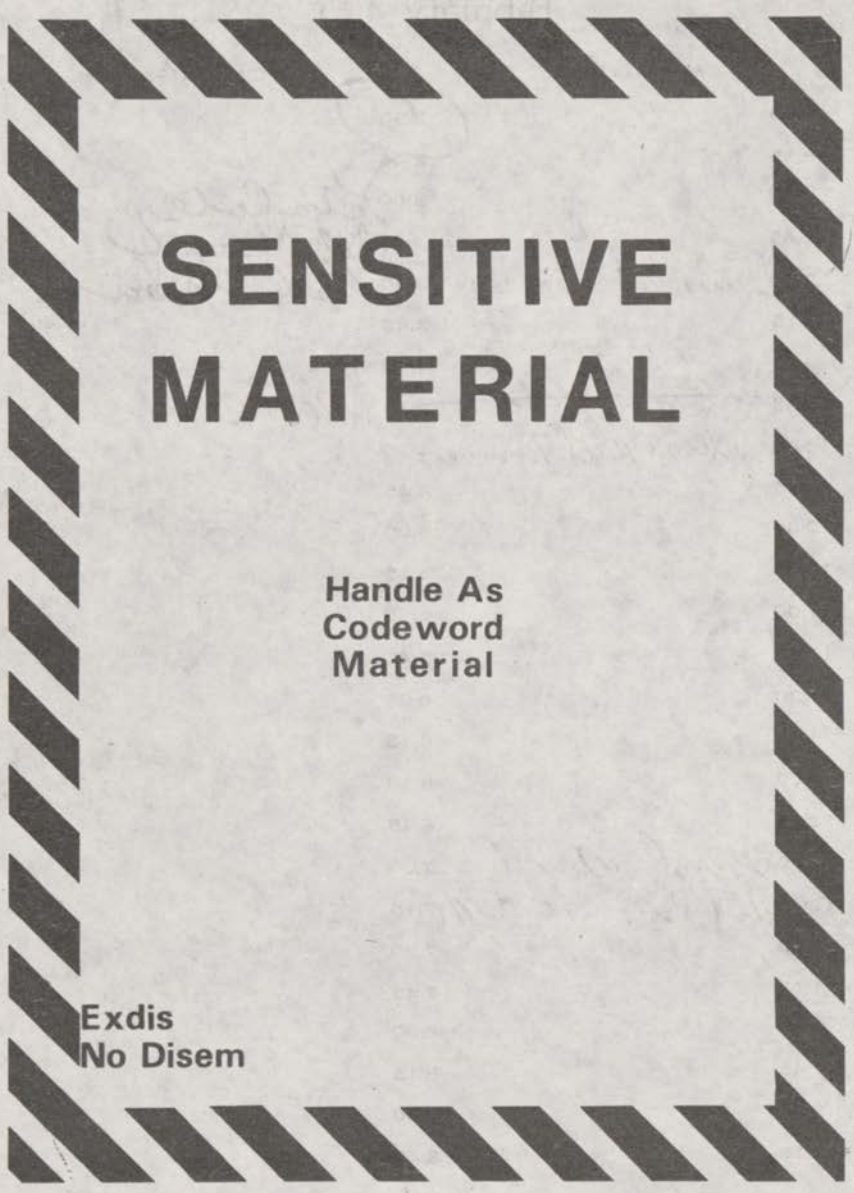


EXHIBIT No. 20

transactions as of April 7, 1972

CASH DEPOSITS AND DISBURSEMENTS

including 'committed' items

DEPOSITS

PRIOR TO APRIL 7, '72	$400,000*
MAY 25, '72	350,000

DISBURSEMENTS

KALMBACH	250,000*
STRACHAN	350,000
PORTER	100,000*
LIDDY	199,000*
MAGRUDER	20,000
LANKLER	50,000
HITT	25,000
NOFZIGER	10,000†
STONE	15,000†
DOLE	3,000
OTHER	5,000*
TOTAL	1,777,000+

*approximation
†possibly by check

EXHIBIT No. 21

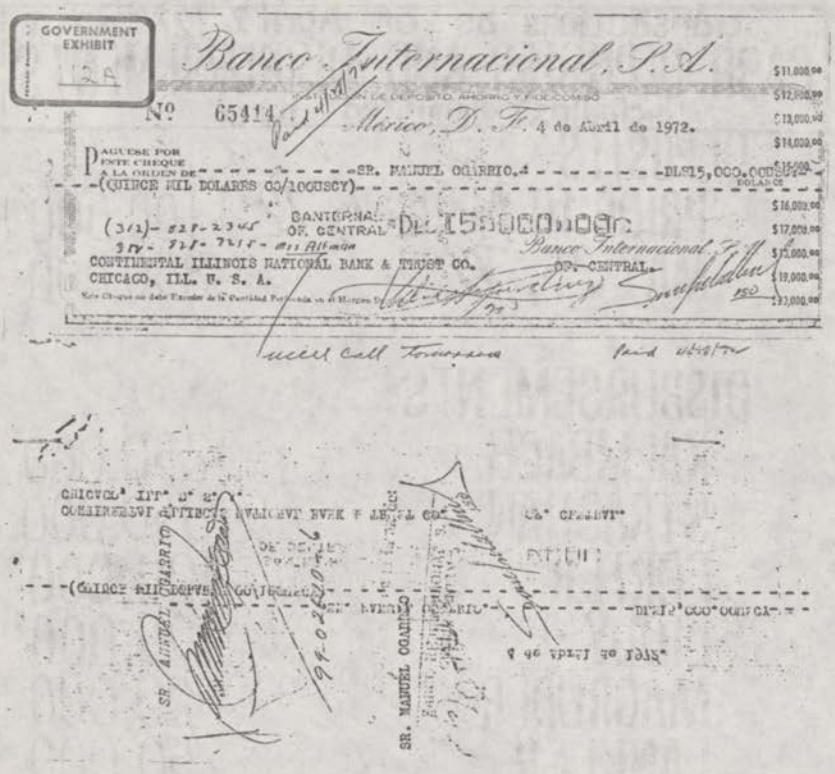


EXHIBIT NO. 22

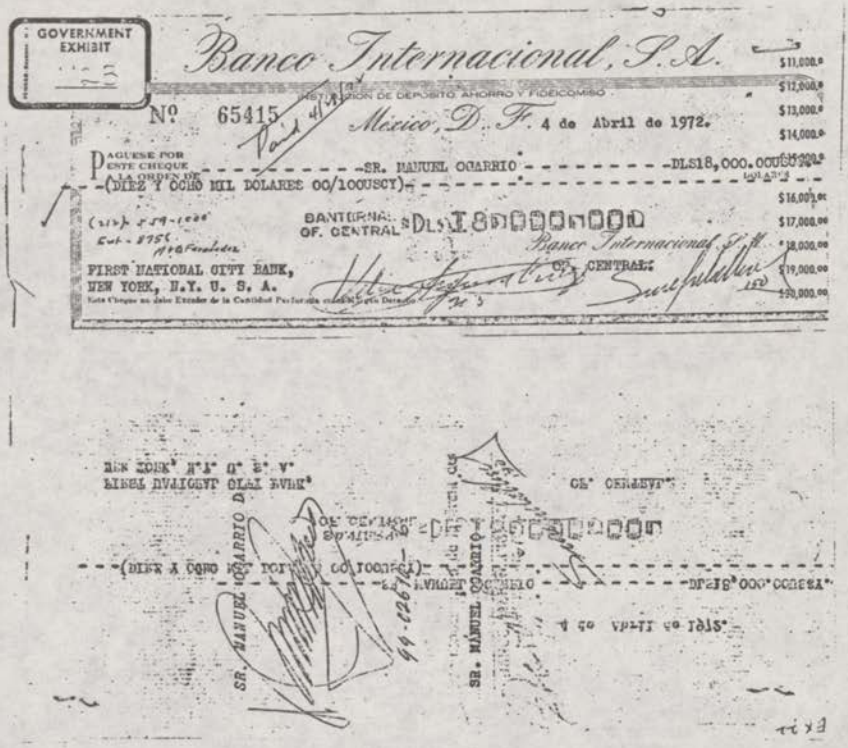
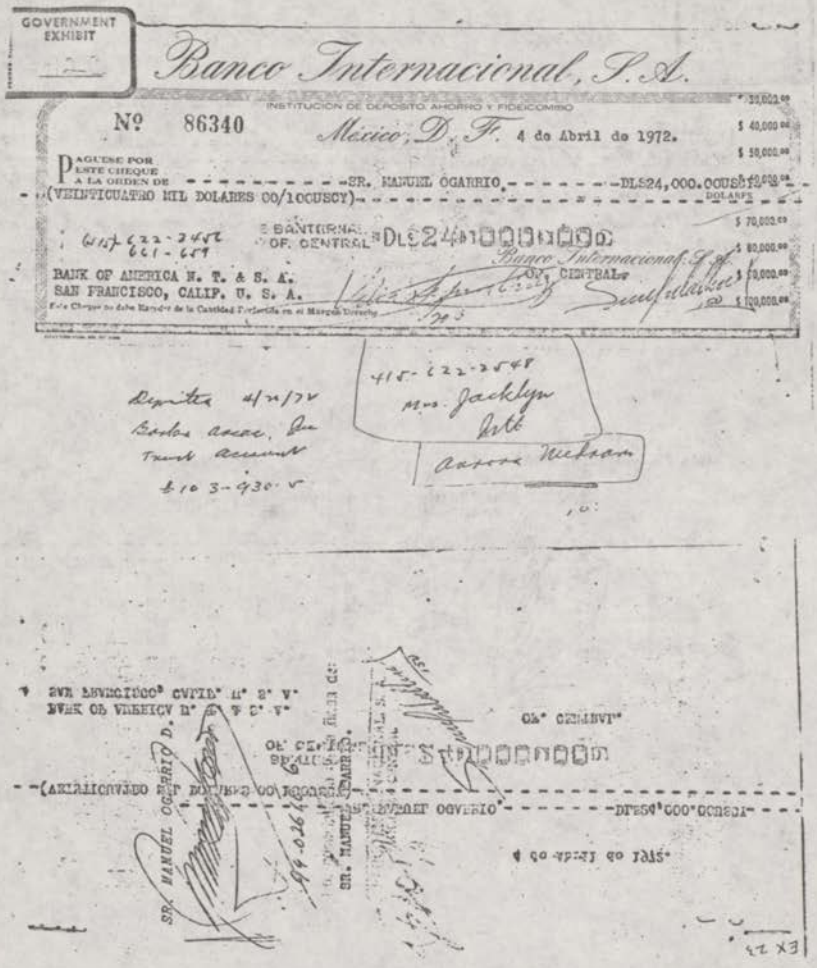


EXHIBIT NO. 23


GOVERNMENT EXHIBIT

Banco Internacional, S.A.

INSTITUCION DE DEPOSITO AHORRO Y FIDEICOMISO

Nº 86340

México, D. F. 4 de Abril de 1972.

PAGUESE POR ESTE CHEQUE A LA ORDEN DE SR. MANUEL OGARRIO. DLS24,000.00US

(VEINTICUATRO MIL DOLARES 00/100USCY)

DOLARES

BANTERNA OF. CENTRAL DLS24,000.00

Banco Internacional, S.A.

BANK OF AMERICA N. T. & S. A.
SAN FRANCISCO, CALIF. U. S. A.

Este Cheque no debe Rebasar de la Cantidad Estipulada en el Margen Derecho

OF. CENTRAL

Deposited 4/11/72
Banks assoc. Int
Trust account
$10 3-430 V

415-622-2548
Mrs. Jacklyn
Ortt
Aaron Nelson

EXHIBIT No. 24



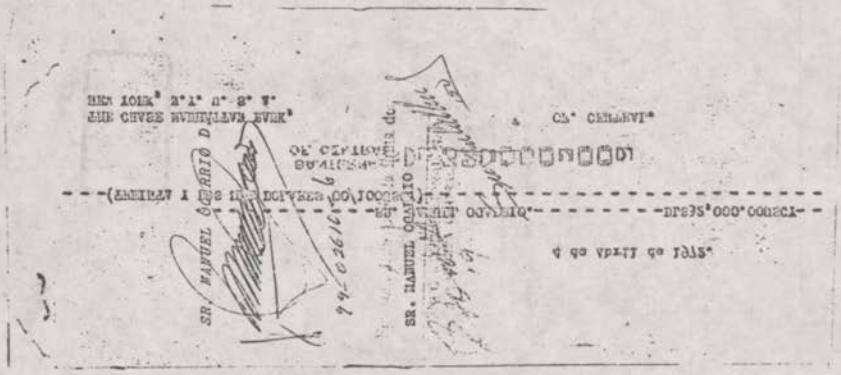
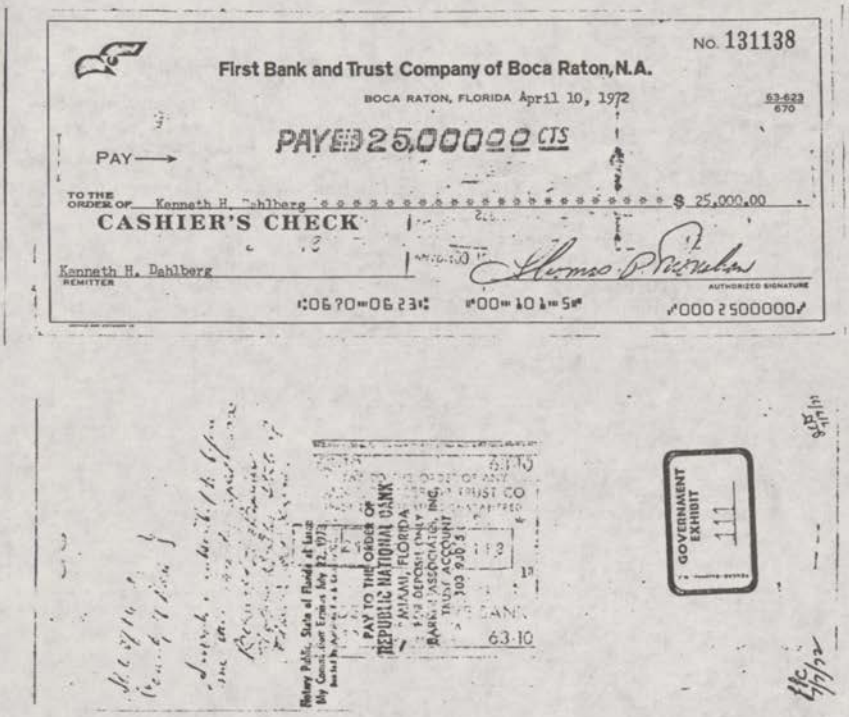


EXHIBIT No. 25



No. 131138

First Bank and Trust Company of Boca Raton, N.A.

BOCA RATON, FLORIDA April 10, 1972

63-623
670

PAY → PAY 25,000 00 CTS

TO THE ORDER OF Kenneth H. Dahlberg $ 25,000.00

CASHIER'S CHECK

Kenneth H. Dahlberg
REMITTER

AUTHORIZED SIGNATURE

:0670:0623: :00 10 15: 000025000000

PAY TO THE ORDER OF
REPUBLIC NATIONAL BANK
MIAMI, FLORIDA
FOR DEPOSIT ONLY
TRUST ACCOUNT
303 900 5

63-10

GOVERNMENT EXHIBIT 111

EXHIBIT NO. 26

WILKINSON, CRAGUN & BARKER
LAW OFFICES
THE OCTAGON BUILDING
1735 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20006
(202) 833-9800
CABLE ADDRESS
"WILCBAR"

ERNEST L. WILKINSON
JOHN W. CRAGUN (1908-1968)
[illegible] A. WILKINSON
[illegible]ERT W. BARKER
[illegible]RLES A. HOBBS
ANGELO A. IADAROLA
PAUL S. QUINN
LEON T. KNAUER
RICHARD A. BAENEN
JERRY C. STRAUS
HERBERT E. MARKS
PIERRE J. LAFORCE
FRANCES L. HORN

ROSEL H. HYDE
DONALD C. GORMLEY
HERBERT F. DeSIMONE*
Counsel

GORDON C. COFFMAN
R. ANTHONY ROGERS
PATRICIA L. BROWN
WILLIAM R. LOFTUS
STEPHEN R. BELL
THOMAS J. DACAS
FOSTER DEREITZES
ALAN I. RUBINSTEIN
PHILIP A. NACKE
H. MICHAEL SEMLER
THOMAS E. WILSON

* Not admitted in the District of Columbia

June 4, 1973

Sam J. Ervin, Jr., Chairman
Senate Select Committee on
Presidential Campaign Activities
Senate Office Building
Washington, D.C.

Re: Appearance of Maurice H. Stans
on June 6, 1973

Dear Mr. Chairman:

We are writing this letter at the invitation of your staff director, following conferences this date with several members of your staff.

You have invited our client, Hon. Maurice H. Stans, to appear before your Committee on or about June 6, 1973, to testify in connection with your inquiry under S. Res. 60 concerning the 1972 Presidential Election practices.

As you know, Mr. Stans was, on May 10, 1973, indicted by a Federal Grand Jury sitting in the Southern District of New York (United States v. Mitchell, et al., 73 Cr. 439) in connection with matters arising out of the 1972 Presidential campaign. Specifically, the indictment recites that Mr. Stans, after February 15, 1972, was Chairman of the Finance Committee for the Re-Election of the President. It charges Mr. Stans and three other persons with conspiracy to defraud the United States and agencies thereof and obstructing justice.

In addition, Mr. Stans is charged in the indictment with six separate counts of perjury before the said Grand Jury in connection with his testimony on campaign practices and funds. Mr. Stans has pleaded

not guilty to each count of the indictment and expects that the evidence to be adduced will sustain a verdict of not guilty.

We must advise you that, pursuant to the strictures of Rule 8 ("'Free Press-Fair Trial' Directives") of the Criminal Rules for the Southern and Eastern Districts of the New York Federal Court, we will be unable to permit our client, Maurice H. Stans, to testify at this time. On May 30, 1973, Judge Lee Parson Gagliardi specifically directed the personal compliance of the defendants in the case United States v. Mitchell, 73 Cr. 439, with the provisions of Rule 8. (Copies of both Rule 8 and Judge Gagliardi's directive have been furnished your staff.

We respectfully request that the appearance date for Mr. Stans be deferred until at least June 13, 1973 to permit counsel to apply to Judge Gagliardi for construction of his order in the present circumstances, to assure that Mr. Stans and counsel will not be in contempt of court by any such appearance.

Even should Judge Gagliardi construe his order and Rule 8 not to preclude appearance before this Committee and the television and other news media related thereto, we still respectfully request that the Committee defer the proceedings until after final disposition of the indictment now pending in the Southern District of New York. Obviously, additional investigation and publicity by the Committee at this time would serve no other purpose than to further prejudice our client's rights to a fair trial of the accusations against him. Therefore, in order to safeguard Mr. Stans' right of fair trial, should Mr. Stans testify, it is possible that it may not be done voluntarily.

However, we are aware of your desire to have the Watergate and related matters aired. Mr. Stans would be pleased to appear and testify fully if the pending indictment were dismissed and he be given transactional immunity from further prosecution related to it.

Sincerely,

WILKINSON, CRAGUN & BARKER

By: _____
Robert W. Barker

CARR, BONNER, O'CONNELL, KAPLAN,
THOMPSON & DIUGUID

By: _____
Walter J. Bonner

EXHIBIT NO. 27

[121 - JSM ATTY GEN LAST]

July 28, 1971

CONFIDENTIAL

MEMORANDUM FOR THE ATTORNEY GENERAL

Dick Whitney who is Secretary Stans' political Special Assistant spent some time with me discussing 1972. One idea which he brought up might be useful in other departments.

The Secretary has built up a discretionary fund at Commerce that will total approximately $1,000,000. He is using this fund for conferences, hiring, and other activities that will be beneficial to the President's re-election.

- If you feel it is appropriate, Secretary Stans might discuss this concept with other Cabinet Officers to see if they can develop the same kind of fund within their own departments.

Approve_____ Disapprove_____ Comment_____

JEB S. MAGRUDER

bcc: Mr. Haldeman

JSM:ger
JSM Chron
JSM AG File

CONFIDENTIAL

EXHIBIT NO. 28

May 10, 1972

MEMORANDUM

TO: The Honorable John N. Mitchell

FROM: Maurice H. Stans

In order to try to help resolve the various open budget matters, I would like to give you my suggestions as follows:

1. November Group

This budget request of $1,442,000 is extravagant and should be reduced to about $1,200,000. Rather than make the specific cut at this time, I propose that the Budget Committee direct November Group and our Comptroller to watch the expenditures closely in the hope that the actual costs will approximate the lower figure when the campaign is over.

2. Convention

The budget for the Convention Committee has been presented in an amount of $1,370,000 for Miami Beach and $447,879 for San Diego (including $177,000 of estimated mopping up costs in San Diego), or a total of $1,817,878. The budget amount for Miami Beach includes $165,000 reserved for the 1976 convention.

This budget should be treated as follows:

a. The charges for San Diego mopping up costs, including the construction items and rental, should be resisted to the maximum extent short of litigation; by this process it should be possible to achieve a significant reduction.

b. The Miami budget includes $150,000 estimated for construction costs; by working with the Democrats and the local organizations it should be possible to save a worth-while amount of this.

c. The Miami budget includes $40,000 for expenses of the Republican National Committee; these expenses could be paid by that Committee.

d. There is no need to carry over $165,000 to 1976; this item should be deleted.

e. If it is assumed that by the foregoing actions the over-all budget of the convention could be reduced by at least $265,000, the net cost would be $1,552,878. This would be financed as follows (after returning $100,000 to San Diego):

Cash carry-over from 1968	$ 165,000
Miami Beach receipts	200,000
National Committee share of Gala	250,000
Program ads (960,000 already sold)	1,000,000
Total	$1,615,000

There is still time for extra effort to be put in to sell additional ads to the program. Such proceeds could be used to finance expenses for the Republican National Committee that might appropriately be charged against the convention but are now in its regular budget.

3. Republican National Committee Budget

The 1972 budget of the Republican National Committee (excluding the Convention Committee figures) is $4,596,000. This does not include fund-raising costs of the National Republican Finance Committee totalling $2,200,000, which can be presumed to be financed out of receipts. It does include the cost of fulfilling subscriptions on its publications.

According to Tom Evans, a few of the items in the budget are likely to overrun to a small degree, and some other requests are pending. Before any such items are approved, it would be highly desirable that there be a thorough review of the Republican National Committee budget by your campaign committee staff because it is very likely that there are significant duplications in such items as special programs, research, and the political division. I would believe that some net economy could be achieved in the RNC budget which could either be reflected there or in your campaign budget.

4. National Campaign Budget

Some specific questions have been raised with respect to the composition of the national campaign budget:

a. Storefront Committees

The question is whether a storefront activity that does not raise or spend $1,000 has to be reported as part of a committee operation. While this is essentially a legal question, I would assume that a validly independent group that on its own initiative created such an operation

would not have to file as a committee, but that if such actions are stimulated by a local city, or county, or state committee they could not be excluded and would have to be reported. It would not be wise, in my opinion, to encourage such special operations outside the budgets because of the obvious problems that would arise.

b. Surrogates Expenses

A substantial amount is included in the national campaign budget for surrogates' travelling expenses, but the question arises as to how we should budget for the cost of appearances that are requested by local communities and are not funded in the national budget.

In such cases it should be made clear that the expenses are to be paid by the inviting unit. If that unit is one which is under our budgetary control, such costs should either be budgeted in advance on an estimated basis or should be covered by saving money in other budgeted items.

c. Campaign Materials

The suggestion has been made that campaign materials to the total amount of $1,500,000 be allocated to the states in proportion to their need, without charge to them. The state campaign committee would undertake the responsibility of distributing the basic allowance of materials to the various campaign units at the state, county and local levels. If any state requires additional materials beyond the amount allocated, they would have to be paid for by their requesting it.

There are inherent dangers in such a process. It would be necessary to space out the shipments over time to avoid the immediate use or dissipation of a state's allocation with the result that no supplies would be available later. It would be difficult to assume that a state that wanted more such materials would be able to pay for them out of a budget which would not include such amounts in the first place. The ultimate result would be that if the campaign materials were not considered adequate in any state we would be confronted with requests for increases in budgets either at the state or national level.

It would seem more desirable, although certainly more cumbersome, to require each state and local committee wanting campaign materials to pay for them out of an approved budget.

Despite these considerations I will accept the argument that the simplicity of the "no charge" procedure justifies its adoption, if the campaign organization will reserve approximately 10% to 15% of the total amount out of the initial allocation to the states in order to take care of subsequent calls.

5. County Autonomy

The initial concept of the campaign was that each county in a state would integrate its campaign program and its budget with that of the state organization, and the total would represent a budget for the entire operation within the state. This has a number of advantages, the principal one of which is that it would provide for a state campaign that directed its efforts in the various counties in accordance with a balanced over-all state effort, rather than one which left the activities in each county to the subjective judgment of a county chairman. Fund-raising in each county under this plan would be part of the state finance committee effort, with each county having a quota assigned by the state finance chairman.

Objection has been raised to this method on the ground that it interferes with the autonomy of the county chairmen who are in many cases peculiarly able to determine the campaign requirements of their respective jurisdictions and who therefore should not be subject to control by a state campaign chairman. If each county chairman is given a free course, it can result in an unbalanced campaign within a state and it can also result in a more disorderly process of fund-raising. Furthermore, it will require that each county or city organization that goes its own way on the campaign and fund-raising register as a fund-raising committee and report as such; this obviously increases the burden on someone to see that reporting requirements are not violated to the disadvantage of the candidate.

I believe that the centralized state control of campaigns and financing is the best, and that there is time within each state to work out a single over-all state budget that includes all of the component units. Nevertheless, I recognize the personality conflicts that would arise from taking this responsibility away from local chairmen and local committees, so I propose the following procedure:

a. That we make it optional with each state, to be decided by the state campaign chairman and the state finance chairman, as to whether to adopt (1) a comprehensive budget that includes all counties and other units or (2) a limited budget that includes only the state organization, or (3) a mixed budget that includes some counties but not others. This process would be worked out by these individuals in conjunction with the county chairmen.

b. That in addition to certifying all state fund-raising committees we certify separately any county committee for fund-raising purposes that does not elect to come under the state budget; provided that in each such case the treasurer of the county committee is specifically approved by the state finance chairman, and provided that the chairman and the treasurer of the county committee commit in writing to me to file all reports as required and to send copies of all such reports to me.

As a practical matter, the onus for the handling of funds and the filing of reports is that of the candidate himself, in the sense that he will suffer if the required procedures are not observed. If we are to allow any lapses from an ideal plan of operation, we must expect to exercise discipline of some kind over those situations, or the candidate can be hurt. This middle ground "option" procedure will assure minimum risk by retaining some discipline.

6. National Budget - Amount

After a review of all the proposals for the National budget, which totals $31,693,000, I would suggest that the following reductions could be made:

Advertising

In view of the large amounts planned for direct mail and telephoning, some portion of the advertising program could well be cut. The broadcast proposals exceed the amounts spent in 1968 at the national level, and the value of massive effort in this field is coming under general doubt. The amounts for print media far exceed those of 1968. I propose a cut of at least $1,500,000

Candidate support

A closer scrutiny over mailings would produce savings; the travel amounts seem excessive if the White House takes its full share 100,000

PR/Media

The budget of $740,000 is just too much for this function. Some of the frills can be cut 140,000

Direct mail and telephone

Without questioning the basic value of these programs, I question the overkill. The number of mailings in some states can be reduced	$ 500,000

Other captions

Tight policies could squeeze out	100,000
Total to question	$2,340,000

I believe that each of these possibilities should be considered by you and the campaign staff with the objective of arriving at an over-all budget of not to exceed $30 to $31 million. Such a budget should then be placed into effect immediately with the understanding that it will be held under tight discipline. Any proposals for additions by any of the campaign personnel should be accompanied by a proposed reduction elsewhere in the over-all budget so that the total amount is held to the original figure.

M.H.S.

EXHIBIT NO. 30

February 28, 1972

MEMORANDUM FOR: Hugh W. Sloan, Jr.

FROM: Maurice H. Stans

It will be necessary for us to establish a system of control over the purchasing and distribution of all articles, such as bumper strips, banners, pins, jewelry, etc.

Having in mind the experience in 1968, I would appreciate it if you would work with the campaign people in setting up the procedure for 1972.

I visualize that the Committee for the Re-election of the President will purchase all such items and will make them available to state and local committees only by sale to them. This means we will get catalogs and price lists, order blanks, a procedure for billing and receiving payment, depositing funds and otherwise keeping track of the transactions.

We should also determine whether or not any shipments will be made in advance of payment.

I suggest that you start the action on this now with the objective of having it finished not later than April tenth.

M. H. S.

February 28, 1972

TO: Hugh W. Sloan, Jr.

FROM: Maurice H. Stans

I think we need a lapel pin for our 1972 contributors. Would you please get some samples from one of our supporters, such as Jostens, Anson or Balfour.

I think the simplest process would be to take the exact form of the 1968 pin and merely add below it the number 1972 at one end of the pin.

M.H.S.

EXHIBIT NO. 31

May 3, 1972

MEMORANDUM FOR: Hugh Sloan
Robert Odell

FROM: Maurice H. Stans

Please advise me at any time in the future when we are more than forty-eight hours behind in sending thank-you letters to contributors, together with your suggestions as to what we might do in order to get caught up at once.

M. H. S.

cc: Kenneth Talmage
Charlotte Lyeth

FINANCE COMMITTEE FOR THE RE-ELECTION OF THE PRESIDENT
1701 PENNSYLVANIA AVENUE N.W. • WASHINGTON, D. C. 20006 • (202) 333-0820

MAURICE H. STANS
CHAIRMAN

Duke
Why?
MHS

June 1, 1972

MEMORANDUM FOR: Hugh Sloan

FROM: Maurice H. Stans

On May twelfth when I was in Omaha, Nebraska, I brought back some checks including one of $1,000 from Alice Abel. It did not appear on any deposit list until today.

Checks must be deposited <u>immediately</u> and appropriate lists prepared so that the thank you letters will go out at once.

There must be <u>NO</u> exceptions to this. I do not want checks held in the office for more than a day at a time.

M. H. S.

FINANCE COMMITTEE TO RE-ELECT THE PRESIDENT
1701 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D. C. 20006 • (202) 333-0920

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CONTROLLER:
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COUNSEL:
G. GORDON LIDDY

June 13, 1972

MEMORANDUM FOR THE HONORABLE MAURICE H. STANS

FROM: HUGH W. SLOAN, JR.

With regard to your note of June 1, the reason for the delay in depositing the check from Alice Abel was that the check was improperly made out and needed to be returned for appropriate endorsement prior to our being able to deposit it.